The Covid-19 pandemic: impacts on the Japanese steel market

The Japan Iron and Steel Federation (JISF)
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Japan’s economy has been in severe situation due to the impact of the COVID-19 pandemic.
Demand from key steel-using sectors has decreased significantly due to the COVID-19 pandemic.
To cope with reduced demand caused by the COVID-19 pandemic, Japan’s major steel firms have temporarily adjusted production volume with measures such as banking.

Ahead of the outbreak of COVID-19, the Japanese steel industry had proceeded structural adjustment measures based on long term analysis.

Based on the short and long term outlook, the Japanese steel industry has announced adjustments of steel output with 8 out of 25 blast furnaces across Japan.
Japan’s crude steel production in the past few months has fallen back to levels observed in the global financial crisis.

Source: JISF
Japan’s steel demand is likely to **contract by double digits in 2020**

![Graph showing Japan's apparent steel use (y-o-y % growth)]

- **2016**: -1.2%
- **2017**: 3.6%
- **2018**: 1.6%
- **2019**: -3.4%
- **2020 (forecast)**: -19.1%

Source: JISF
The COVID-19 pandemic has surely led to a sharp decline in Japan’s steel demand.

Meanwhile, the Japanese steel industry has made efforts to form an optimal production scheme and efficient business operations ahead of the outbreak of COVID-19 based on long-term analysis.
Specfic concerns related to the COVID-19 pandemic include:

- **Over-supply** in many markets caused by a large inflow of steel products
- Rising **protectionist measures** in steel trade
- **Cross-border investment** with optimistic demand forecast creating new excess capacity
Thank you for your attention