



# Short Range Outlook Contribution to GFSEC

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- No discussions on allocating geographical or product markets or customers or classes of customers
- No discussions on concerted actions involving costs (including concerted actions against suppliers)
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- No discussion on non-public company-specific forward looking commercial strategies or plans

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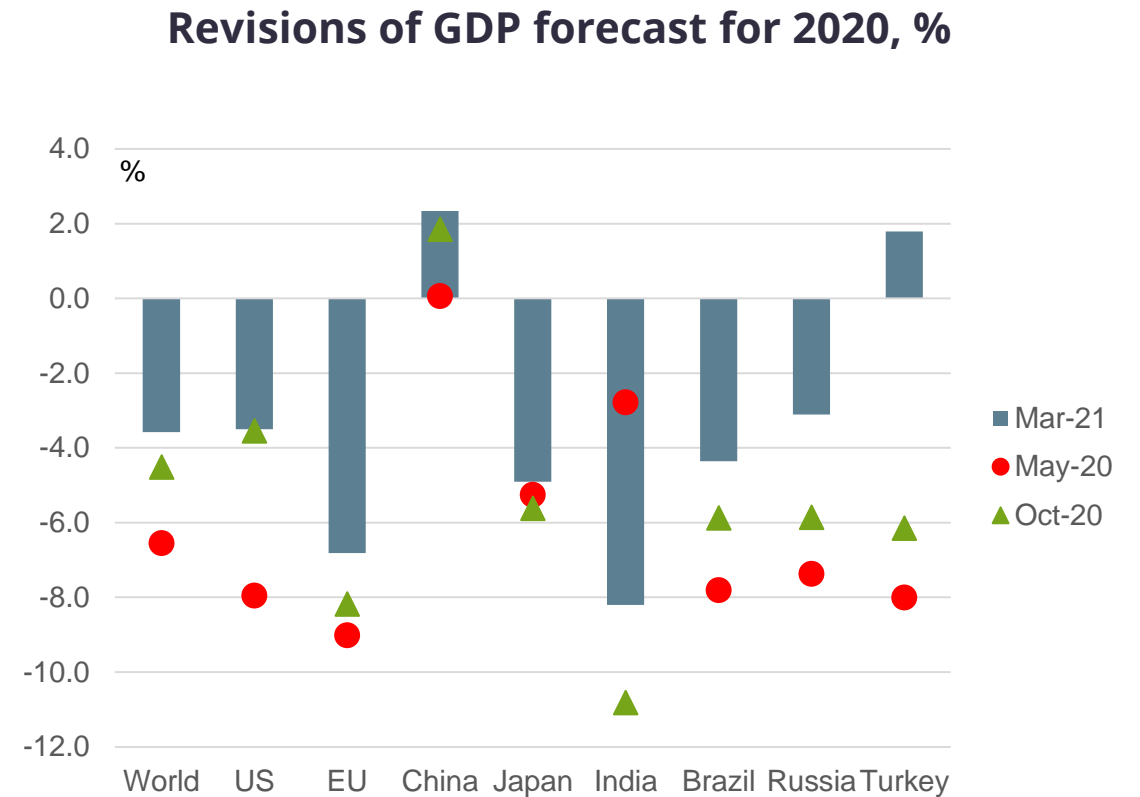
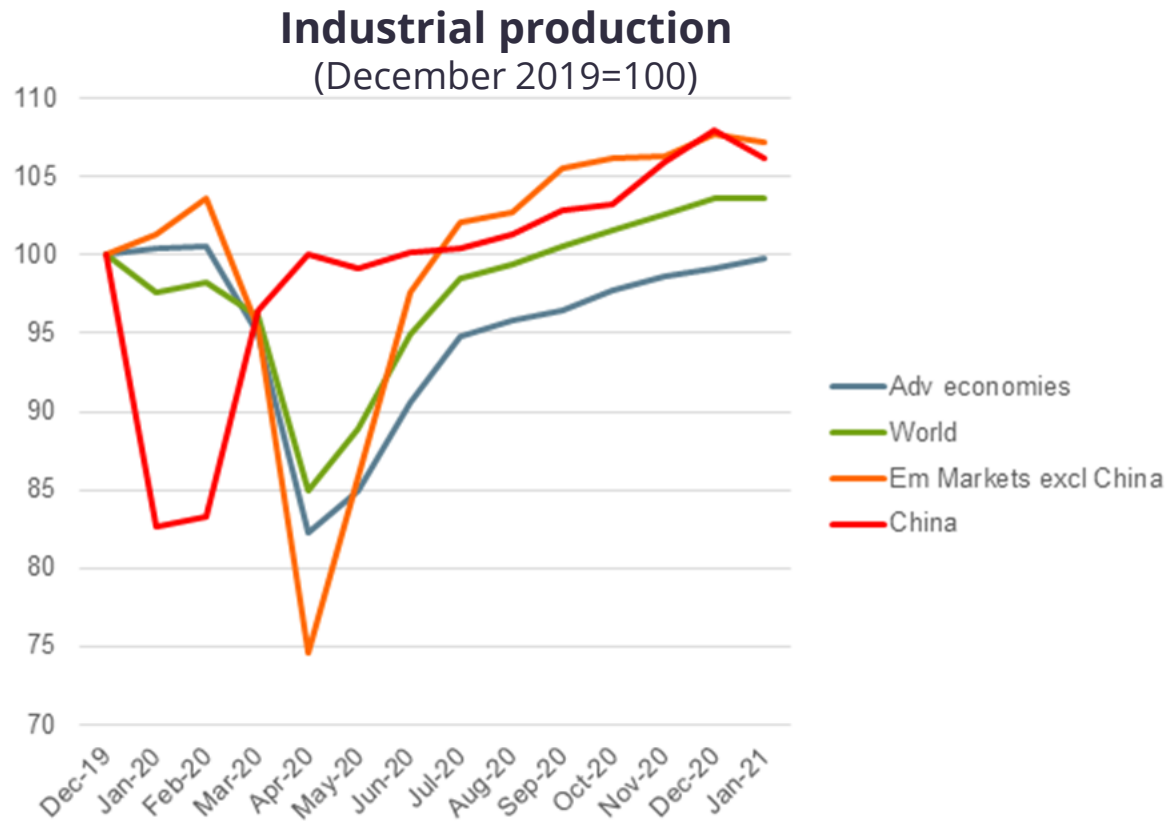


# Background to the outlook

# Post lockdown recovery

Post lockdown recovery was stronger than expected globally, especially in China

Recovery momentum is sustained, despite tightening of COVID restrictions in Q1 2021



Source: IHSMarkit

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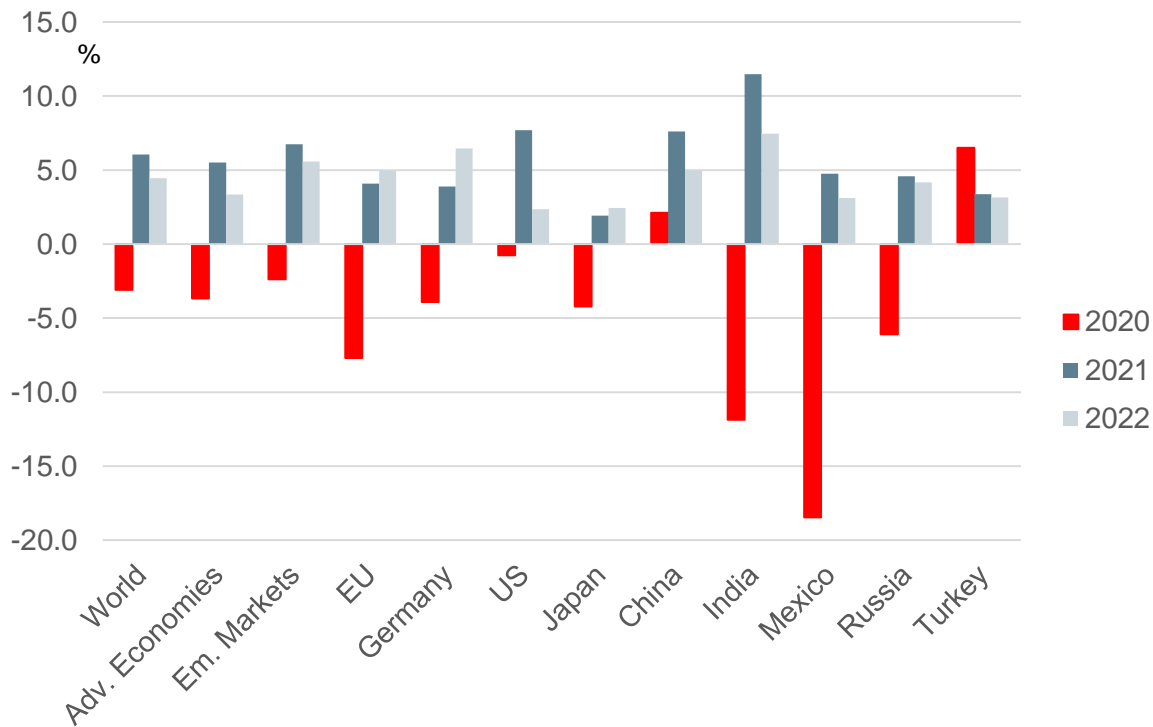
# Investment

Low interest rates and infrastructure projects to support robust investment recovery in 2021-22

Strong recovery of investment seen in China, US, India for 2021

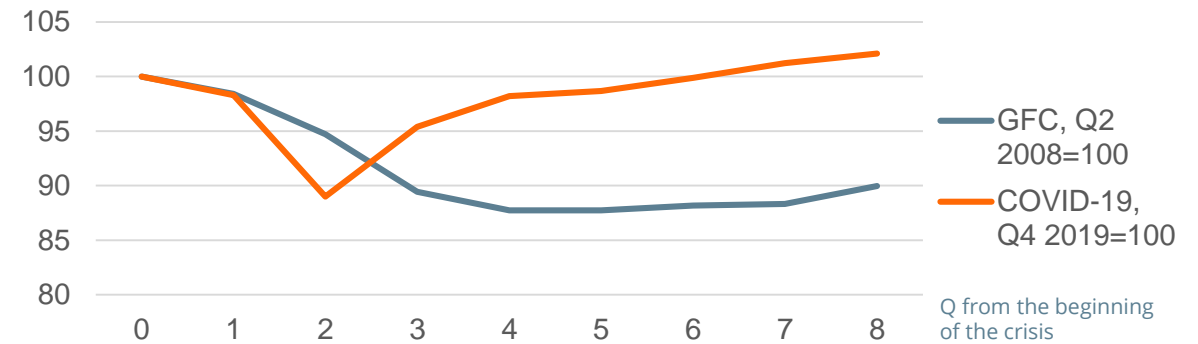
High uncertainty continues to affect investment

**Global investment outlook, %**

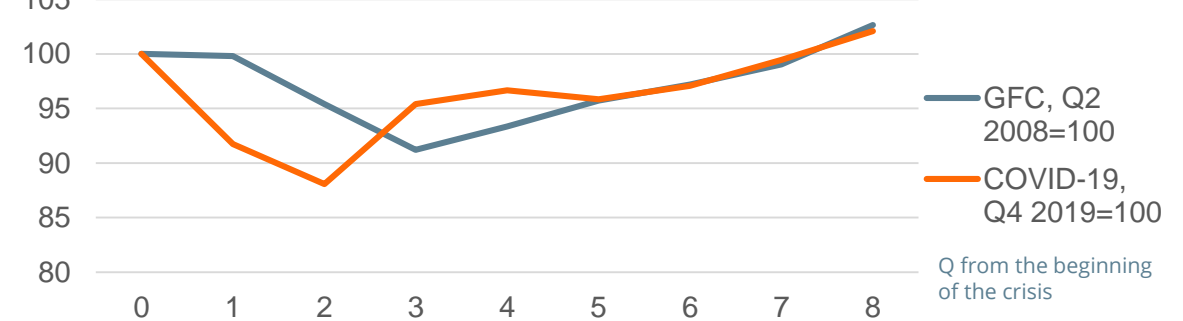


Source: IHSMarkit

**Fixed investment: advanced economies**

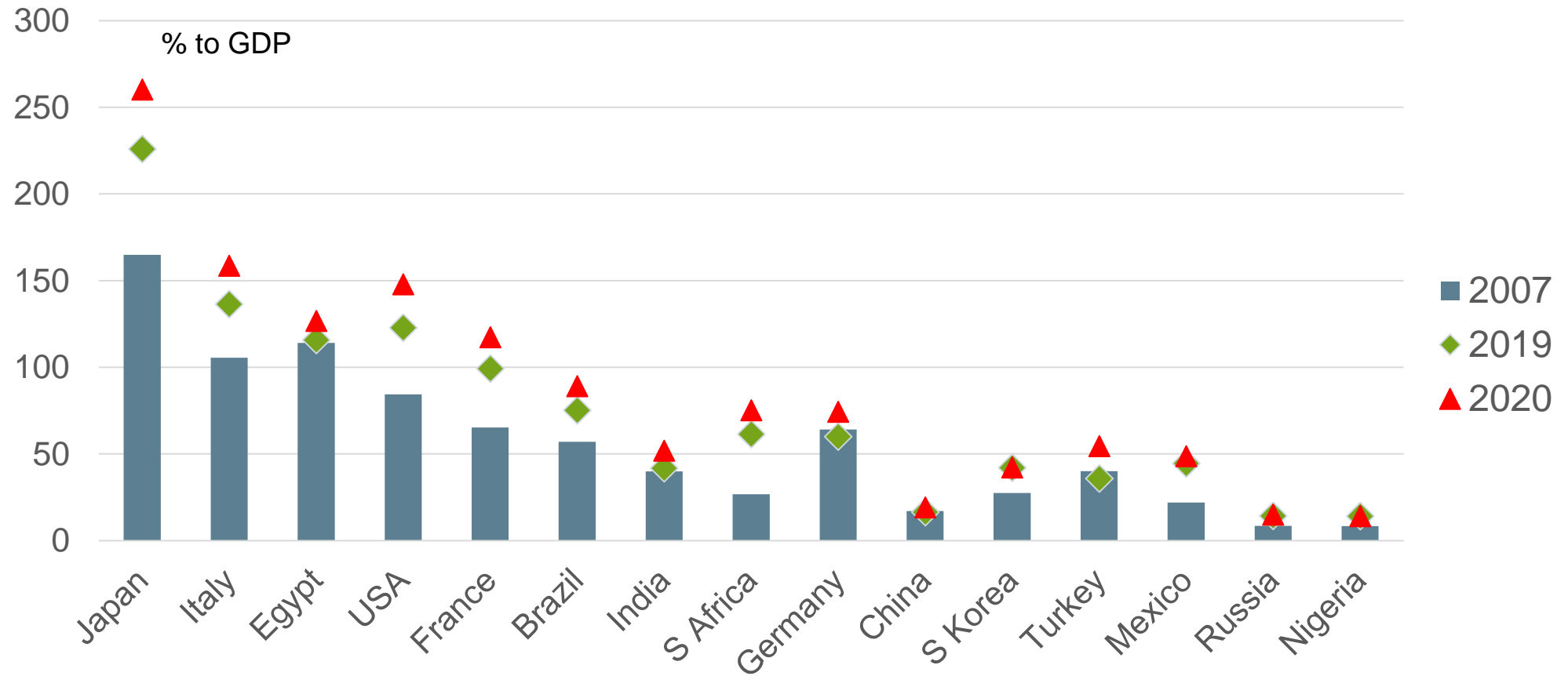


**Fixed investment: emerging economies excl China**



# Public debt

Public debt to GDP ratio in selected years

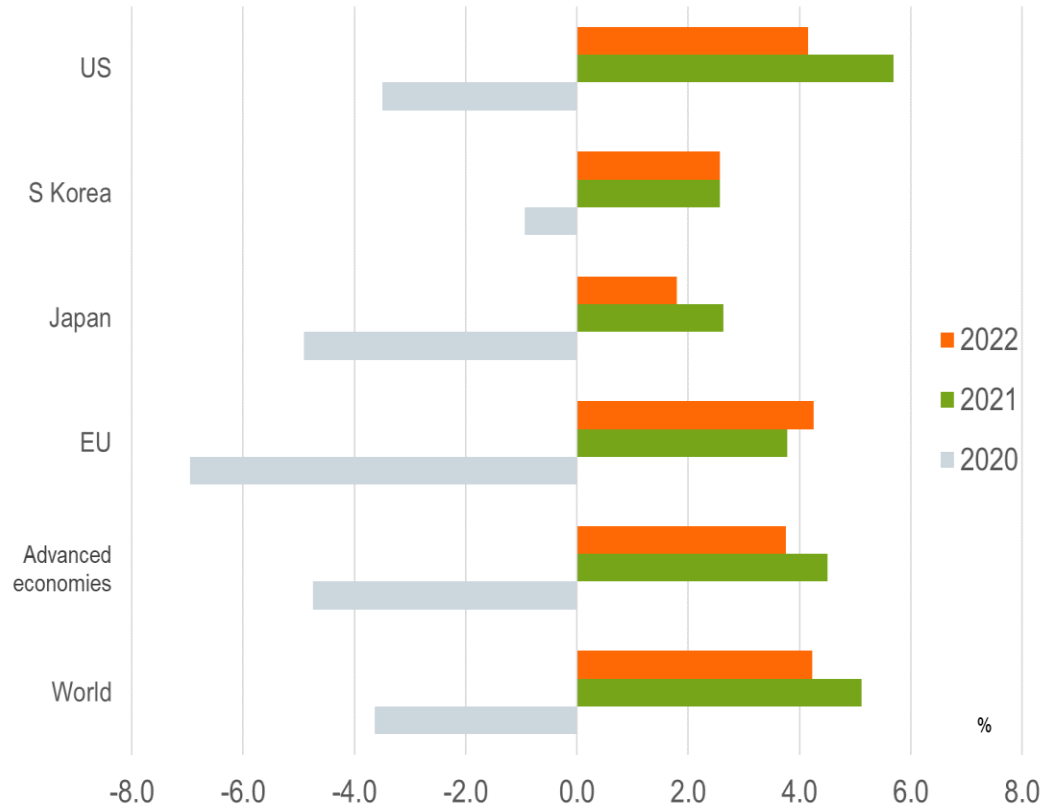


Source: IHSMarkit

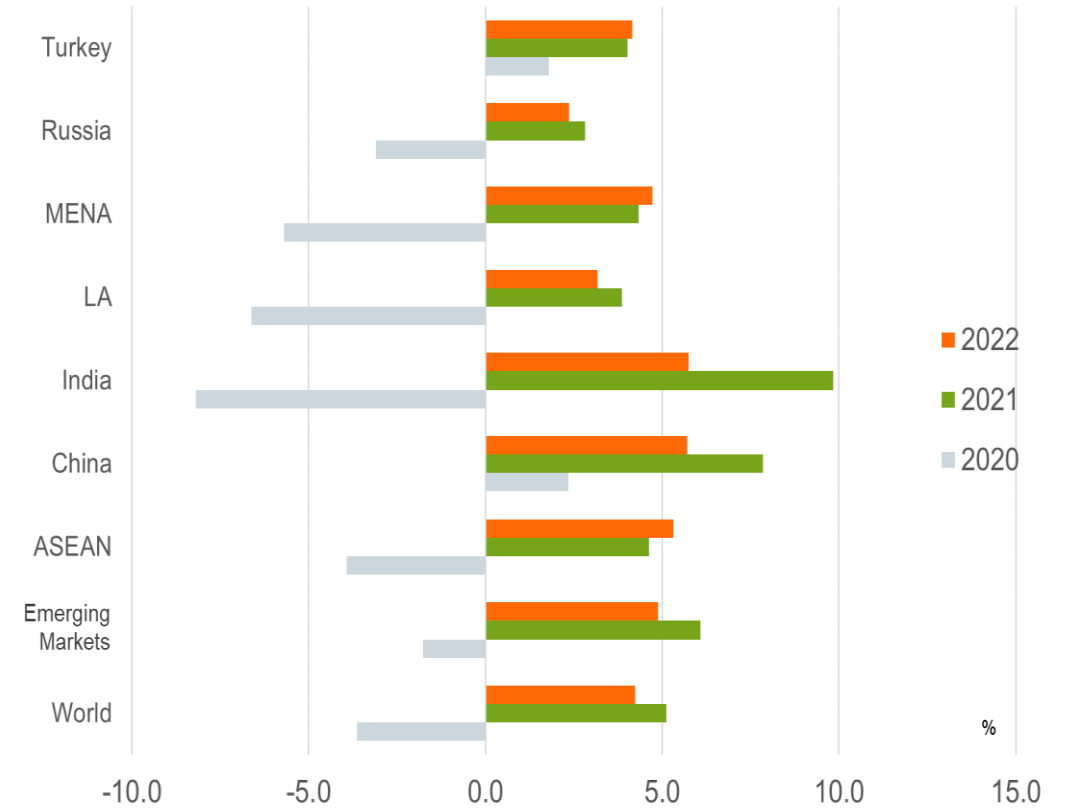


# Global economic outlook 2021-22

## GDP forecasts for advanced economies



## GDP forecasts for developing economies



Source: IHSMarkit

**In EU, Turkey, MENA and ASEAN the recovery will accelerate in 2022.**

# Uncertainties and risks

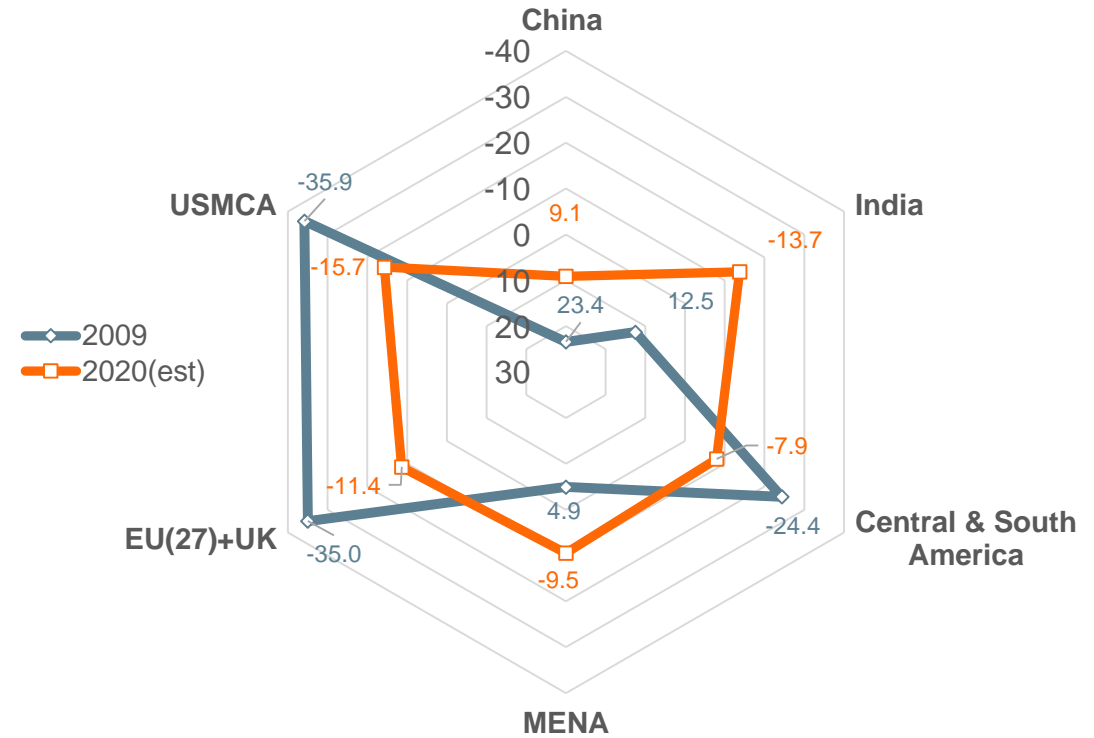
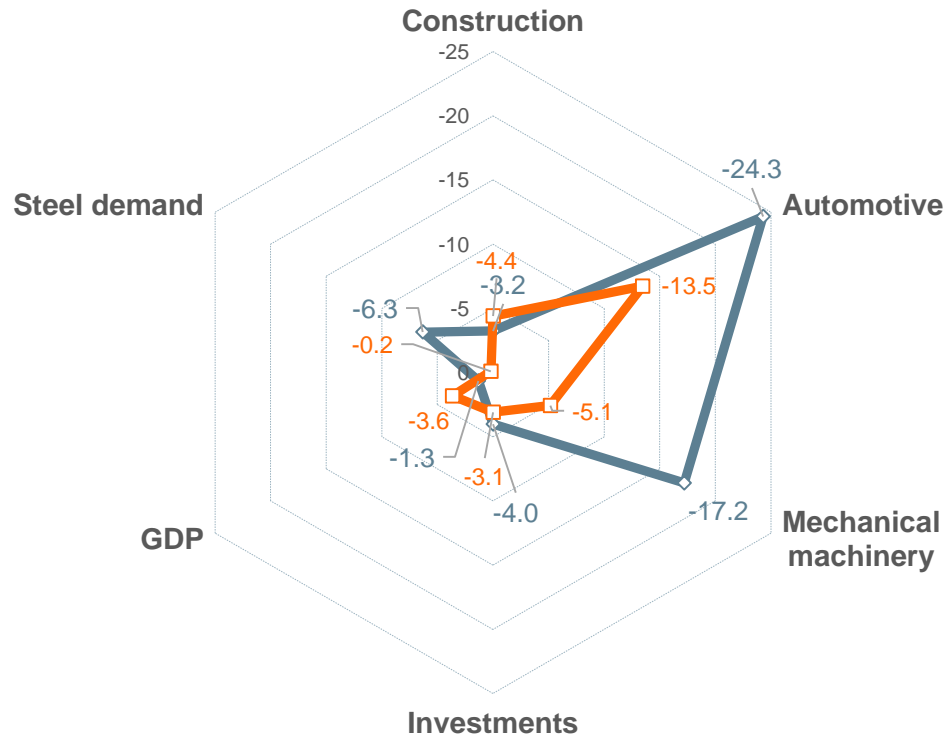
## Short term

- Evolution of the pandemic and delays in vaccination
- Recovery beyond the pent-up demand
- Reversal of fiscal and monetary policy stances

## Longer term

- The pandemic's impact on education, health, productivity
- Rising inflationary pressure and tax burden
- Larger than expected economic damages from the pandemic
- Social behavioral changes, changes in industrial structure
- Climate change responses

# GFC vs COVID-19 impact compared



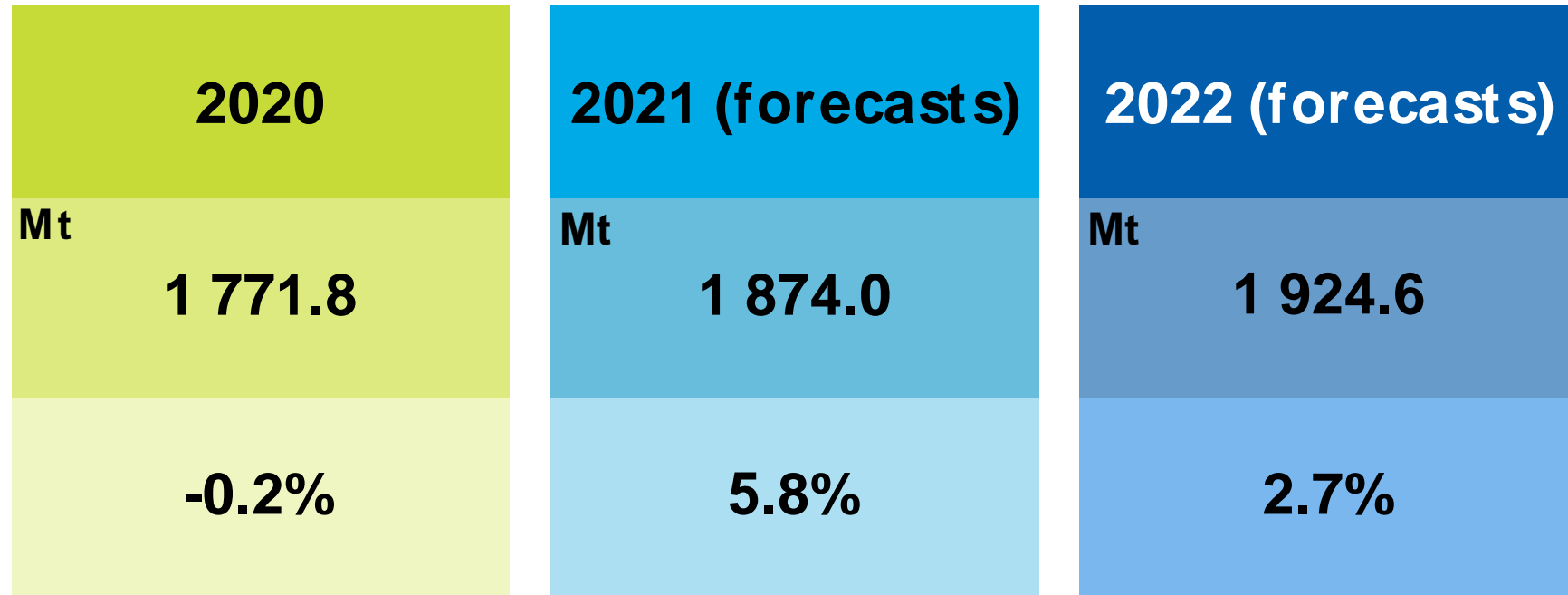
Source: IHSMarkit, worldsteel

SRO April 2021



# Global overview

Steel demand, finished steel (SRO April 2021)



Mt = Million tonnes

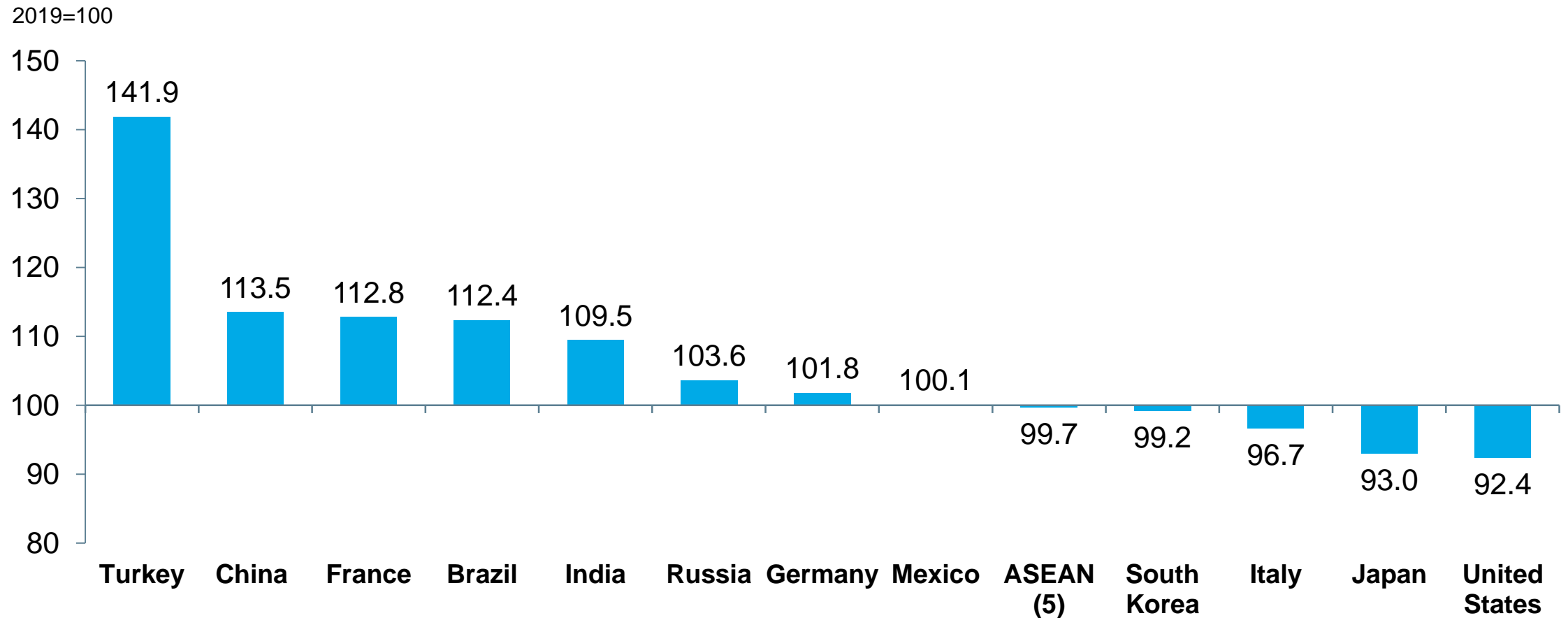
# Regional overview

Steel demand, finished steel (SRO April 2021)

	Mt			%			2022 as % of 2007
	2020	2021	2022	20/19	21/20	22/21	
<b>World</b>	<b>1 771.8</b>	<b>1 874.0</b>	<b>1 924.6</b>	<b>-0.2</b>	<b>5.8</b>	<b>2.7</b>	<b>158.9</b>
European Union (28)	140.6	154.9	162.4	-11.4	10.2	4.8	80.0
Other Europe	36.0	42.3	44.7	9.4	17.4	5.5	153.8
CIS	58.2	60.2	62.1	-0.1	3.4	3.2	110.3
USMCA	114.0	122.6	128.3	-15.7	7.6	4.6	91.0
Central & South America	38.6	42.7	44.5	-7.9	10.6	4.2	107.9
Africa	35.6	38.6	40.9	-9.4	8.3	5.9	196.8
Middle East	46.0	48.5	50.1	-8.6	5.4	3.3	114.8
Asia & Oceania	1 302.8	1 364.2	1 391.6	3.5	4.7	2.0	205.9
China	995.0	1 024.9	1 035.1	9.1	3.0	1.0	247.4
Developing Asia excl. China	177.9	202.5	215.0	-11.7	13.9	6.1	240.6
Developed Asia	123.7	130.4	135.0	-10.6	5.4	3.5	84.4

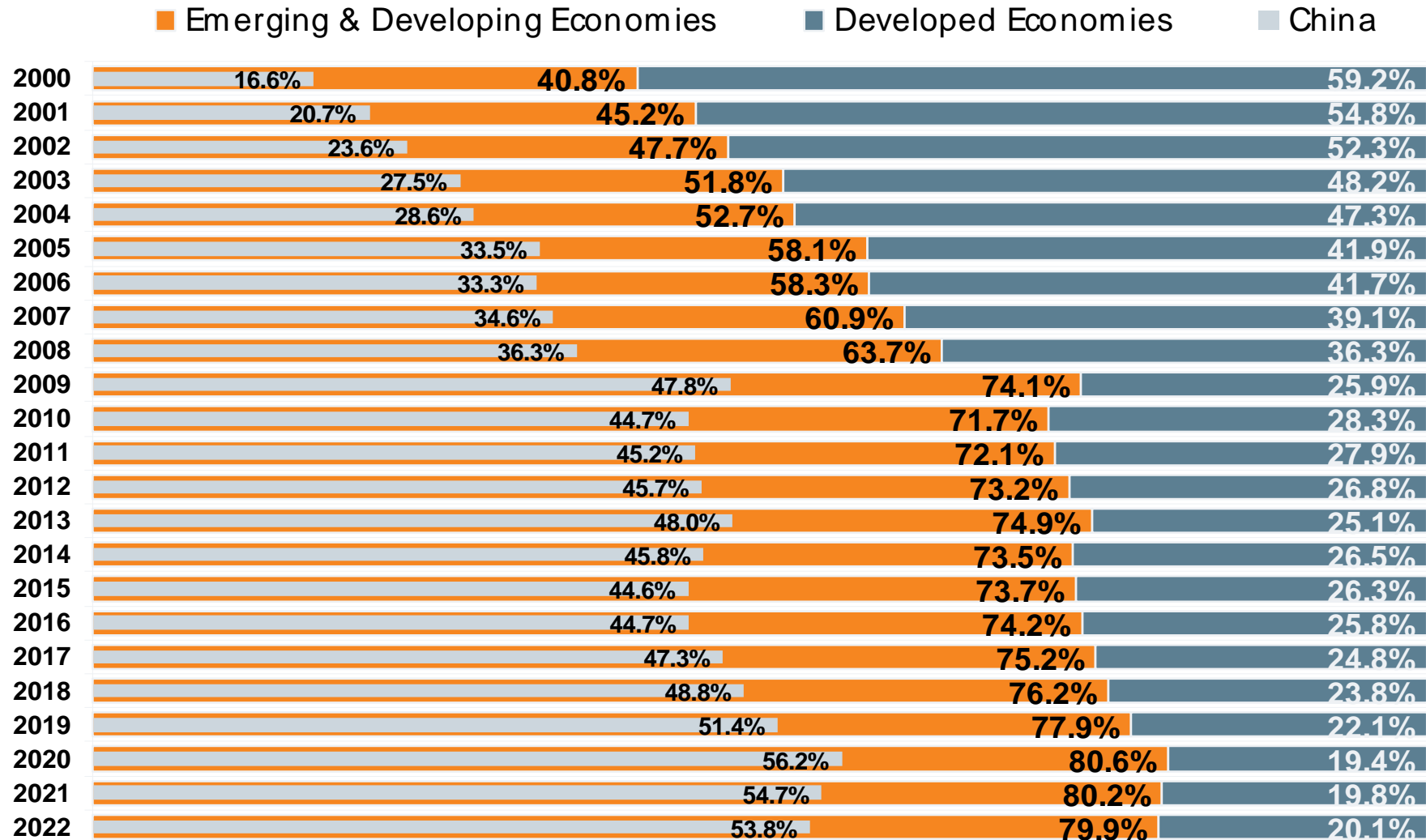
# Steel use in 2022 as % of 2019

Steel demand, finished steel (SRO April 2021)



# Evolution of regional shares in steel demand

Steel demand, finished steel (SRO April 2021)



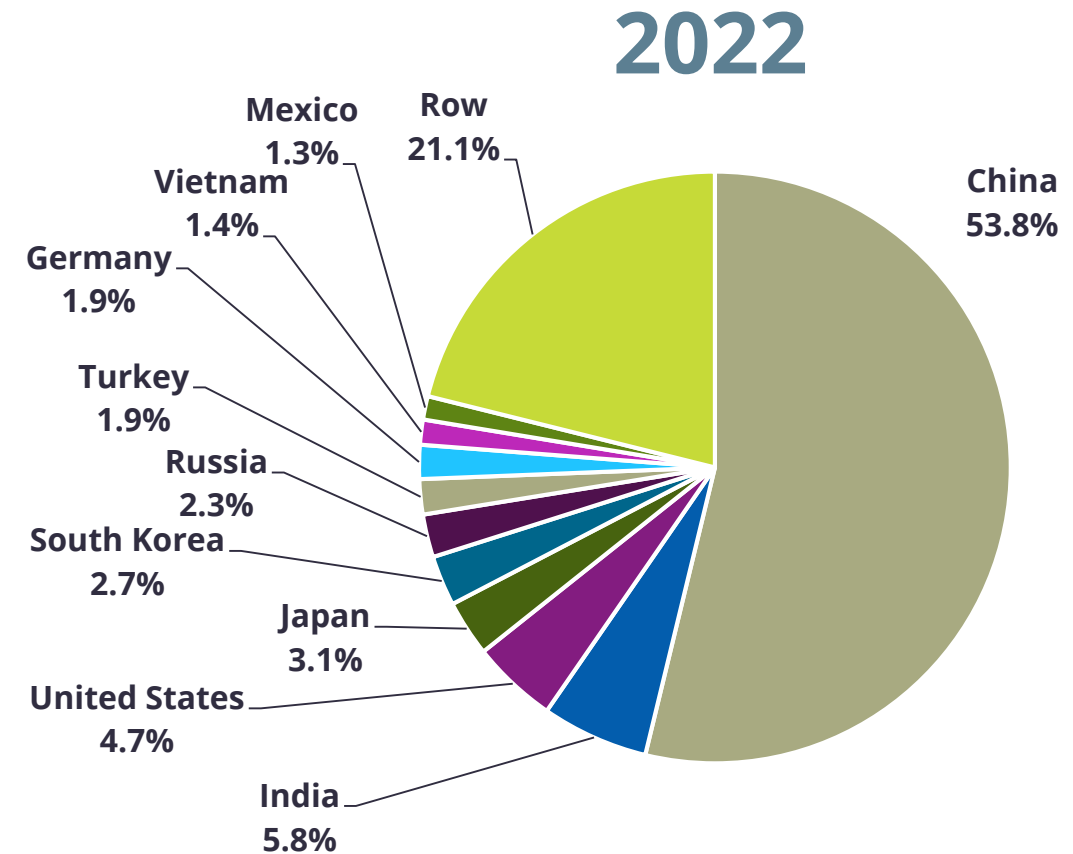


# Top 10 countries in 2017 and 2022

Steel demand, finished steel (SRO April 2021)

Top 10 (2017)	
Country	Steel demand [Mt]
China	773.8
United States	97.7
India	88.7
Japan	64.4
South Korea	56.3
Russia	41.1
Germany	41.0
Turkey	36.1
Mexico	26.5
Italy	24.8

Top 10 (2022)	
Country	Steel demand [Mt]
China	1 035.1
India	112.3
United States	90.2
Japan	58.8
South Korea	52.8
Russia	45.1
Turkey	37.0
Germany	35.8
Vietnam	26.3
Mexico	24.6



**Top 10 countries account for 78.9% of world steel demand in 2022**

# Conclusion

- The pandemic crisis has been benign to the steel industry compared to the GFC and some other sectors
- However, double-digit contraction of steel demand in many developed and developing economies
- Recovery will be healthy and supported by pent-up demand for manufacturing goods and infrastructure investment
- Risks still remain high, both upside and downside
- The pandemic will exert a lasting impact on the steel industry via structural changes in steel using sectors, hastened transition toward a low carbon society



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