

Global scrap consumption down 5.1% in 2015, BIR says

Global steel scrap consumption showed a 5.13% year-on-year decline to around 555 million tonnes in 2015, according to the Bureau of International Recycling (BIR).

The main steel scrap-using countries and regions of the world recorded reductions in usage ranging between 0.6% and 10.4% last year, the bureau said in its latest quarterly report on ferrous metals, released on Wednesday May 11.

In most cases, the decline in steel scrap usage was steeper than the drop in crude steel production for the particular country or region. Many factors influenced this, including the sharp fall in iron ore prices last year, the BIR said.

BIR also noted that most leading steel scrap importers reduced their overseas purchases last year.

Turkey, the world's leading scrap importer, reduced its overseas purchases by 14.8% year-on-year to 16.25 million tonnes (see table).

William Schmiedel, president of the BIR's ferrous division, noted in the report that the scrap industry is now on "a much sounder footing, but it is clearly not out of the woods yet".

While world steel prices have risen by more than \$200 per tonne and scrap prices by more than \$140 over the past few months, there have been many mixed signals from China, he said.

Baosteel has [reported net profit of \\$236 million](#) while Hebei Iron & Steel announced profit of \$89 million for the past quarter. [Meanwhile](#), Anshan recorded a \$95 million loss, Baotou an \$85 million loss and Hunan Valin a \$126 million loss, while another \$154 million loss was recorded by Chongqing.

At best, the outlook is mixed, Schmiedel said.

"Adding to the lack of clarity is the tremendous amount of activity on the Chinese exchanges, where the number of contracts traded in three days has exceeded one year's-worth of rebar production," he said.

"Clearly, there is a great deal of speculation by some with no stake in the physical market," he added.

In addition, across the globe there are more than 30 trade cases against China that will tend to redirect the country's exports of finished and semi-finished steel, he said.

"We continually read about the desire of Chinese leaders to cut back on steel production, and in Hebei province this has actually happened," he added, "although how much of it is due to Beijing's desire to rationalise steel production and how much is due to the flower exhibition is unclear."

Scrap imports (million tonnes)	2015	2014	Change %
Turkey	16.251	19.068	14.8 ▼
India	6.710	5.699	▲ 17.7
South Korea	5.758	8.002	28.0 ▼
USA	3.513	4.215	16.7 ▼
Taiwan	3.373	4.272	21.0 ▼
EU	2.832	3.142	9.9 ▼
China	2.328	2.564	9.2 ▼
Canada	1.516	1.520	0.3 ▼
Mexico	1.483	0.915	▲ 62.1
Belarus	1.382	1.253	▲ 10.3
Indonesia	1.020	2.137	52.3 ▼
Thailand	0.945	1.383	31.7 ▼
Source: Bureau of International Recycling			

By [Weilyn Loo](#)