

Korean mills soak up US ferrous scrap

Analysis from SteelMint also sees China's mill sector absorbing larger amounts of scrap.

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South Korea, currently the second largest importer of ferrous scrap behind Turkey, purchased heavily in the United States market in the first quarter of 2019. An analysis by India-based [SteelMint](#) states that mill buyers in South Korea bought ferrous scrap at a level not seen in more than four years.

South Korean ferrous scrap imports stood at 1.85 million metric tons in the first quarter of 2019, up 24 percent compared with the previous quarter. The volume was up by 22 percent compared with the first quarter of 2018.

According to SteelMint, "Japanese domestic scrap prices remained on the higher side in March ahead of the Golden Week holidays. Amid an expectation of a hike in prices, South Korean steel mills had booked bulk cargoes in previous months from the U.S. and Russia."

Adds SteelMint, "Hyundai's bidding for Japanese scrap is considered to be the benchmark for the East Asian scrap market. The steelmaker resumed open bidding in March 2019, after a gap of two months. It had discontinued bidding amid high inventories and comparatively higher Japanese prices during January and February."

Another trend identified by SteelMint involves a shift in Chinese steel production toward using more scrap as feedstock. (This trend also [was pointed out](#) at the 2019 Bureau of International Recycling Convention in Singapore.)

SteelMint reports that Li Shubin, executive vice president and secretary general of the China Waste Steel Application Association, is stating that China's ferrous scrap utilization level "has achieved new breakthroughs."

China's 13th Five-Year Plan proposes a scrap target ratio of 20 percent that is likely to be met ahead of schedule.

In 2018, China's total consumption of scrap steel was 188 million metric tons, an increase of nearly 40 million metric tons, or 26.9 percent, over the prior year. The scrap consumption was 202.3 kilograms (446 pounds) per metric ton, an increase of 24.5 kilograms (54 pounds) per metric ton, a rise of 13.8 percent.

In the first two months of this year, the total consumption of ferrous scrap in the country was 29.3 million metric tons, representing another 15.6 percent rise compared to the first two months of 2018.

The association also says 220 million metric tons of ferrous scrap was generated within 2018, representing a 10 percent increase compared to the 200 million metric tons generated in 2017.

Global ferrous scrap flows, generation and consumption, with the spotlight on Asia, will be topics at SteelMint's [4th Steel Scrap, Billet & DRI Summit](#), taking place Aug. 27-29 in Bangkok.