

## Stainless steel still has substantial demand growth potential

**At the BIR Stainless Steel & Special Alloys Committee meeting in Prague on October 27, its Chairman Joost van Kleef of Oryx Stainless described 2015 “as one of the most challenging years to date for the stainless steel recycling industry”.**

In his review of recent market developments, Mr Van Kleef said that final demand for stainless steel had been “slightly lower than expected” and that weak raw material prices had “failed to stimulate the purchasing behaviour of traders and stockists” - a trend that was expected to persist in the final quarter “with the probability of an even steeper decline towards the end of the year”.

All of the elements of stainless steel - chrome, nickel, molybdenum and ferrous - had sustained significant price declines during 2015. “These price levels are not sustainable and the availability of stainless scrap will be duly influenced,” he reiterated from his report to the BIR Stainless Steel & Special Alloys World Mirror released in Prague. “Price levels of underlying alloying elements must increase in order to secure a continuous flow of raw materials.”

In the US stainless sector, order books and margins remained a concern, according to Barry Hunter of Hunter Alloys LLC, but falling LME nickel stocks offered “a flicker of light at the end of a dark tunnel”. Nevertheless, Jonathan Bower of ELG Haniel Metals in the UK warned: “Unless demand improves substantially or production cuts are announced, then the high LME stocks will continue to weigh heavily on this market.” Dr Pariser reflected on the fact that the 450,000 tonnes of LME nickel stocks had taken three and a half years to build and that it would be “very, very frightening” if it were to take as long for them to return to “a sensible level”.

On a more upbeat note, André Reinders of Nicrinox FZE told delegates that India had become “a great marketplace for stainless steel scrap”.

*Quelle: BIR*