

SteelWeek

Scrap demand to outpace supply through to 2010

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Growth in global scrap consumption is accelerating and looks likely to outpace supply for the remainder of the decade, according to projections by the Iron and Steel Statistics Bureau (ISSB).

Demand for merchant scrap will grow by 26mt to 318mt in 2005, and by a further 70mt between 2006-2010, Steve Mackrell, ISSB's director of operations told the Bureau of International Recycling's autumn convention in London last week.

Increases in DRI production — forecast to climb to 70mt/y in 2010 from 48mt/y this year — would go some way to satisfying mills' scrap needs. But volumes of steelmakers' own scrap arisings will stay virtually flat at around 104mt/y due to efficiency gains and new processes such as thin slab casting.

As a result, mills will be looking to merchants to supply more. But Mackrell said he doubted the average annual growth in demand for merchant scrap of 16mt to reach 388mt/y in 2010 would be matched by similar increases in scrap collection.

With supply forecast to remain tight, scrap prices are going to remain high, he said.

Crude steel production is forecast by the ISSB to reach 1.32bn tonnes in 2010, of which 865mt will be produced via the oxygen route and 432mt by EAFs. This compares with forecast crude output of 1.12mt in 2005, of which BF and EAF steelmaking will account for 720mt and 365mt, respectively.