

## ***Weak EU/US stainless output results in larger scrap exports - Monday, 22nd October 2007***

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### EU/US scrap exports

Much reduced European stainless steel production in the second and third quarters of this year has resulted in very weak stainless scrap buying activity in the region for the past six months.

On the other hand it has presented Asian, and mainly Chinese, metal brokers with opportunities, and they been buying aggressively, the meeting of the BIR scrap trade association in Warsaw was told yesterday.

National feedback to the meeting indicated that in Q3 in Finland and Sweden Outokumpu “bought no stainless steel scrap at all”, Italian mills “almost stopped purchasing for three months”, virtually no purchasing has occurred in the UK over the last 3-4 months and Germany has become an important exporter of stainless scrap.

According to Ruurd Werner of Edelstahl Recycling, despite the slump in mill output, stainless scrap imports into Germany this year have hardly changed – around 400,000 tonnes he estimates – but he thinks exports this year will be about 940,000t, up from around 710,000t in full-year 2006.

It is a similar story in the US, with the three major sheet mills “basically out of the market” for the past 4-5 months,” according to information provided to the meeting by Barry Hunter of Hunter Alloys. The only exception appears to be some smaller stainless bar mills. The result is that 2007 “is well on its way to being a record breaking year for US stainless scrap exports,” Hunter added. He projects around 700,000 tons exported this year, with Taiwan, China and India the leading buyers.

The general consensus of those providing an input to the meeting was that EU stainless steelmaking activity would see an upturn in Q1 2008, **Steel Business Briefing** notes.

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