Bureau of International Recycling

BIR is the **international trade association of the recycling industries**. Around **70 countries** are represented through their national trade associations and individual companies which are involved in recycling. BIR comprises **four commodity divisions**: iron and steel, non ferrous metals, paper and textiles, and has **three commodity committees** dealing with stainless steel and special alloys, plastics and rubber. BIR's primary goals are to promote recycling and recyclability, thereby conserving natural resources, protecting the environment and facilitating free trade of secondary raw materials.

PRESS RELEASE

BIR World Recycling Convention & Exhibition in Barcelona (27 - 30 May 2o18)

Ferrous Division

9th Edition of "World Steel Recycling in Figures"

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For Immediate Release

The BIR Ferrous Division today announces during its meeting in Barcelona the **publication of the 9th edition of "World Steel Recycling in Figures".**

Divisional Interim President Tom Bird emphasises that this compilation of important statistics on the global ferrous scrap markets has received a hugely positive reception since it appeared for the first time in 2010.

In this new publication, the final figures for 2017 show an increase in world crude steel output and in steel scrap use for steelmaking in key countries and regions. It highlights the unexpected growth in China's steel scrap usage last year - which was closely related to the closure of most of its induction furnaces - and the resulting statistical effects. We have calculated an increase in the global use of steel scrap as a raw material for steelmaking in 2017. Besides this, our calculation model shows a relatively stable use of steel scrap in the world's iron and steel foundries over recent years.

It is also interesting to note that the final figures for 2017 show positive signs in external steel scrap trading. We have included an overview of the main suppliers not only for Turkey as the world's foremost steel scrap importer but also for the Republic of Korea, the second biggest steel scrap importer. Furthermore, we have prepared nine flow charts covering steel scrap exports for 2017 - including exports from China, which grew quickly last year.

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The Ferrous Division will strive to continue publishing statistics on global steel scrap use and external steel scrap trading on a yearly and quarterly basis.

Rolf Willeke, Statistical Advisor of the BIR Ferrous Division, summarises below the main news and findings contained in this report, which covers the five-year period from 2013 to 2017:

- Overall, the ninth edition of the report incorporates a total of 59 graphs and tables - the same as its predecessor.

- World crude steel production increased by 3.9% last year to 1.69 billion tonnes, according to worldsteel. It is interesting to note that the global increase in basic oxygen furnace production (+2.3% to 1.228 billion tonnes) was bettered by the upturn in scrap-intensive electric furnace production (+8% to around 445 million tonnes).

- China was the world's biggest steel scrap user in 2017. According to official figures, steel scrap consumption grew in China last year to 147.9 million tonnes. During the preparation of our ninth edition, we have learned - particularly through talks with our member federation CAMU - that this unexpected growth was closely related to China's closure of induction furnaces last year, with most of this sector's production and steel scrap consumption not included in official figures. Estimates indicate that steel scrap use in the country's induction furnaces could have amounted to around 60 million tonnes in 2016. This large quantity of steel scrap was not incorporated in official figures for 2016 or in those for preceding years, and so no direct comparisons can be made with the figures for 2017. Most of this 60 million tonnes of steel scrap was used in 2017 by China's basic oxygen furnace and electric furnace steel producers, thus explaining last year's sharp increase in China's official steel scrap usage. A further 2.2 million tonnes of steel scrap was not used domestically in China but was instead exported.

  The increase in China's official usage figure for last year is in line with the government's plans for a general rise in steel scrap use in domestic steel production. As a result, China's electric furnace production is expected to climb over the coming years and further investments in steel scrap processing are planned, especially in shredder capacity.

- Also on the increase in 2017 was steel scrap use for steelmaking in the EU-28 (+5.6% to 93.35 million tonnes), the USA (+3.7% to 58.8 million tonnes), Japan (+6.6% to 35.8 million tonnes), the Republic of Korea (+11.3% to 30.5 million tonnes), Turkey (+17% to 30.3 million tonnes) and Russia (+2.5% to 28.5 million tonnes).

- For 2017, total steel scrap use in the seven key countries and regions was 425 million tonnes while related crude steel production was 1.37 billion tonnes. For the world as a whole, we calculate steel scrap usage of around 600 million tonnes for last year in a global crude steel production total of, as noted above, 1.69 billon tonnes. The proportion of steel scrap used in crude steel production was 35.5% worldwide last year, while our statistics reveal this share to be 17.8% in China, 55.5% in the EU-28, 72.1% in the USA, 34.2% in Japan, 43% in the Republic of Korea, 80.8% in Turkey and 39.9% in Russia.

- Global annual ferrous scrap use in the world's iron and steel foundries has been approximately 69 million tonnes over recent years.

- According to Official Trade Statistics/WV Stahl, global external steel scrap trade - including internal EU-28 trade - amounted to 99 million tonnes last year (+9.9% compared to 2016).

- In 2017, Turkey underlined its position as the world's foremost steel scrap importer.

    - Last year brought a strong increase in Turkey's overseas steel scrap purchases of 18.4% to 20.981 million tonnes. According to Turkish customs figures, the USA (+16.5% to 3.798 million tonnes) was the main supplier country in 2017.
    - Steel scrap imports were also higher last year for the Republic of Korea (+5.6% to 6.175 million tonnes); the country's main supplier was Japan (+17.3% to 4.014 million tonnes).
    - Also higher in 2017 were steel scrap imports into the USA (+20% to 4.636 million tonnes), the EU-28 (+14.2% to 3.139 million tonnes), China (+7.6% to 2.326 million tonnes), Canada (+15% to 2.115 million tonnes), Indonesia (+77.5% to 1.812 million tonnes) and Belarus (+9.6% to 1.353 million tonnes).
    - Conversely, import declines were recorded by India (-15.9% to 5.365 million tonnes), Taiwan (-7.5% to 2.919 million tonnes) and Mexico (-5.9% to 1.782 million tonnes).
    - To date for Pakistan, we have available a steel scrap import figure only for 2016 (+24% year on year to 4.039 million tonnes).

- Our nine flow charts cover steel scrap exports for 2017 from the EU-28, the USA, Japan, Russia, Canada, China, Australia, Hong Kong and Singapore.

    - The EU-28, still the world's leading steel scrap exporter, increased its outbound shipments by 12.9% to 20.055 million tonnes, the main buyer being Turkey (+21.6% to 12.604 million tonnes).

- A positive trend was also seen last year in steel scrap exports from the USA (+17.1% to 15.016 million tonnes); the leading buyer was Turkey (+14.6% to 3.631 million tonnes).
- An upturn was apparent last year in steel scrap exports from Canada (+21.4% to 4.409 million tonnes), Australia (+25% to 1.979 million tonnes) and Hong Kong (+2.4% to 1.380 million tonnes).
- In contrast, steel scrap export decreases were recorded in 2017 by Japan (-5.5% to 8.217 million tonnes), Russia (-6% to 5.193 million tonnes) and Singapore (-24.6% to 0.790 million tonnes).
- New to our worldwide export review are figures for China. As noted above, China's steel scrap exports were closely related to last year's closure of domestic induction furnace capacity. According to our figures, China exported 2.230 million tonnes of steel scrap in 2017.

- It is also noticeable that the EU-28's internal steel scrap exports totalled 29.123 million tonnes last year (+7.7% compared to 2016).

- Most of the world's leading steel scrap exporters are major net steel scrap exporters: last year's export surplus was, for example, 16.9 million tonnes for the EU-28 and 10.4 million tonnes for the USA.

- Our figures illustrate that ferrous scrap is a raw material used worldwide in steelworks and in iron and steel foundries. It is an ecological and beneficial raw material and an international commodity subject to world market prices, thus underlining the need for a free world raw material market.

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