

PRESS RELEASE

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Stainless Steel & Special Alloys Committee: ***Market remains fragile***

The forecast for global stainless steel production in 2009 has been reduced to around 24m tonnes “but it is debatable whether this will be achieved”, the BIR Stainless Steel & Special Alloys Round-Table was warned in Amsterdam by its Chairman, Michael Wright of ELG Haniel Metals in the UK.

While he believes a figure of 23.5m tonnes may prove to be more realistic for this year, Mr Wright is “still optimistic” that the global output prediction of 27.2m tonnes for 2010 will be realised. The market continues to be “fragile” and “sensitive”, and it remains unclear when the recovery will begin to gain momentum, he told delegates.

The same speaker also noted that global scrap availability appears set to fall from 7.5m tonnes in 2008 to around 6.8m tonnes this year before increasing in 2010 and exceeding 8m tonnes by 2013 at the latest.

In his report on the Asian market, Mark Sellier of OneSteel Recycling summarised the concern central to many of the national and regional reports, namely whether

fundamental demand for stainless steel is sufficient to consume stock or whether a further period of decline should be anticipated.

Reporting on the US market, Barry Hunter of Hunter Alloys LLC declared: “What is missing remains the end user.” Scrap continues to be tight and so any upturn in domestic consumer demand will probably be met with inflated scrap prices. Mr Hunter also identified a number of encouraging market factors including: more positive economic indicators in the USA; the number of huge energy/environmental projects “which eventually must happen” and so boost demand for stainless and nickel-bearing materials; and anticipated 10% growth in Chinese stainless production next year.

Other reports also emphasised the shortage of stainless steel scrap, including that for the Middle East provided by Ahmad Sharif of Sharif Metals Est. in Jordan. And in his Germany/Belgium report, Michael Sutter of Cronimet GmbH in Germany identified a significant drop in new production scrap availability, adding that stainless scrap has become “a rare commodity”.

According to the report submitted by Anand Gupta of India-based Ambica Steels, latest figures show that his country’s imports of stainless steel scrap are running some 27% below those of last year due to weak demand from domestic stainless steel producers. Operating capacities have improved to around 80-85% but prices for finished goods remain “under extreme pressure”.

Offering a Russian perspective, Ildar Neverov of Scrap Market Ltd pointed to official forecasts that stainless steel scrap exports will amount to around 100,000 tonnes in 2009; however, the speaker believes the actual figure may be significantly higher. Mr Neverov also alluded to unconfirmed reports that Russia is considering a five-fold increase in the export duty. “This would kill the export business,” he said.

In his high temperature alloy and titanium report, Phil Rosenberg of Keywell in the USA confirmed that both markets remain quiet, not least due to low activity levels in the aerospace sector. Of long-term concern for the scrap titanium industry is growing sponge capacity, he added.

Guest speaker at the BIR Stainless Steel & Special Alloys Round-Table was Sheraz Neffati, who is in charge of external relations at the International Chromium Development Association. Having described sustainability and recycling as “our main challenges”, she showed a video hailing stainless steel as a “champion” of recycling.

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