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Bureau of International
Recycling

BIR is the international trade association of the recycling industries. Around 60 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 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.

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Stainless Steel & Special Alloys Committee: Market in oversupply

The stainless steel market has swung into oversupply and is lacking a "feel-good factor", the BIR Stainless Steel & Special Alloys Committee meeting in Monte-Carlo was told by familiar guest speaker Markus Moll, Senior Market Analyst at Austria-based Steel & Metals Market Research.

He anticipated a global production increase of "only 4%" this year to 28.775 million tonnes, with the Chinese "locomotive" likely to fall short of double-digit growth as producers encountered mounting difficulty in finding markets for their products. Nevertheless, between now and 2012, Chinese consumption of stainless steel was expected to grow at around 9% per annum while, during the same period, demand from India would overtake that of the USA and Japan.

Mr Moll also predicted the "renaissance" of 304 stainless owing to the shrinking cost advantage of alternatives.

Summarising reports on the European market, Stainless Steel & Special Alloys Committee Chairman Michael Wright of ELG Haniel Metals Ltd of the UK alluded to "signs of caution". He elaborated: "Stockists are working from hand to mouth and are reluctant to hold high inventories in view of the uncertain nickel prices and exploding chrome and iron prices."

Mr Wright went on to propose the organisation of a meeting on radiation detection. Products from the 1970s and 1980s containing radioactive elements such as caesium and americium

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were now entering their end-of-life phase and were duly creating “a serious problem for our industry”, he maintained.

Although official Commerce Department statistics had indicated US exports of stainless scrap exports of more than 880,000 tonnes in 2007, the actual figure was likely to be somewhat lower but still “very significant” - possibly at around 750,000 tonnes, according to Barry Hunter of US-based Hunter Alloys LLC. “Approximately 85% of the reported material exported from the USA in 2007 was destined for Asian markets, basically leaving 15% for European exports,” he said.

Last year, Taiwan had superseded China as the leading Asian consumer of US stainless scrap exports and, in physical metal terms, the continuing absence of Chinese buyers represented “perhaps the most significant change in the marketplace”. But Mr Hunter added: “As we get further into the year, the general lack of scrap, the continued impact of chrome and iron, and the eventual need for material in China may well rekindle international competition for stainless steel scrap.”

In a report on the South African and Asian markets, Mark Sellier of Oryx Stainless noted that Chinese production of stainless steel had been 12% lower in the first quarter of 2008 when compared to the final three months of last year, although the figure was still 30% higher than that for first-quarter 2007. However, some Asian manufacturers were expected to implement production cuts of up to 20% beginning in the third quarter of this year.

Meanwhile, energy shortages had resulted in a 17% drop in South Africa’s stainless steel production in January-March 2008 when compared to the corresponding period of last year. “Scrap availability in the region has also been adversely affected,” Mr Sellier pointed out.

While the Russian stainless steel scrap market remained “export-oriented”, volumes shipped overseas had declined from 286,000 tonnes in 2006 to nearer 200,000 tonnes last year, according to Ildar Neverov of Scrap Market Ltd. Domestic stainless production was expected to increase “greatly” in the coming years, he added.

Ahmad Sharif of Sharif Metals Est in Jordan spoke of rising demand for stainless steel in the Middle East and of the considerable volumes of nickel/chromium tubes generated by the oil industry.

According to the special alloys report from Stuart Freilich of Universal Metal Corporation in the USA, which was presented in his absence by Mr Hunter, demand for titanium had suffered as a result of “production schedule push-outs” by leading aircraft manufacturers and the military worldwide. The need for large volumes of titanium for these programmes “will probably not recover until some time in late 2009 or 2010”, he said. Meanwhile, orders for ferro-titanium and scrap high-temperature alloys remained strong for the most part.

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