

PRESS RELEASE

BIR World Recycling Convention & Exhibition in Singapore (19 - 22 May 2019)

Ferrous Division:

10th Edition of "World Steel Recycling in Figures"

Singapore, 21 May 2019
For Immediate Release

The BIR Ferrous Division today announces during its meeting in Singapore the **publication of the 10th edition of "World Steel Recycling in Figures"**.

Divisional President Greg Schnitzer emphasizes that it is a great pleasure for him to announce the publication of what is the tenth edition of "World Steel Recycling in Figures". Since the BIR Ferrous Division launched the first edition during our Convention in Istanbul back in 2010, this compilation of important statistics relating to the global ferrous scrap markets has been extremely well received.

In our tenth edition, the final figures for 2018 show an increase in world crude steel output and in global steel scrap use as a raw material for steelmaking. It also highlights the strong growth in China's steel scrap usage last year.

It is also worth noting that the final figures for 2018 show positive developments in external steel scrap trading. We have included an overview - supported by graphs - not only for the main suppliers of Turkey as the world's foremost steel scrap importer and of the Republic of Korea as the second-largest steel scrap importer, but also for India which claimed third place in the steel scrap importer league table last year.

The report as a whole contains eight flow charts covering steel scrap exports for 2018 - features which have received a particularly warm welcome.

BIR – REPRESENTING THE FUTURE LEADING RAW MATERIAL SUPPLIERS

For an even more accurate appraisal of the market, the Ferrous Division wants to continue the ferrous scrap figures at our disposal, including quarterly updates of the world statistics.

Rolf Willeke, Statistics Advisor of the BIR Ferrous Division, summarizes below the main news and findings contained in this report, which covers the five-year period from 2014 to 2018:

- Overall, the tenth edition of the report incorporates a total of 59 graphs and tables - the same as its predecessor.
- World crude steel production increased last year by 4.5% to 1.808 billion tonnes, according to worldsteel. The global increase in basic oxygen furnace production (+1.8% to 1.267 billion tonnes) was bettered by the upturn in scrap-intensive electric furnace production (+12% to around 524 million tonnes). Besides this, there was a small increase in global blast furnace iron production (+2.3% to 1.248 billion tonnes) but stronger growth in global DRI production (+11.9% to 84.3 million tonnes).
- According to our figures, steel scrap consumption soared 27% in China last year to 187.8 million tonnes; this compares to 147.9 million tonnes in 2017 and underlines China's position as the world's largest steel scrap user. As indicated in our quarterly reports, this increase in steel scrap usage is mainly due to the fact that the Chinese government has established stricter environmental quality standards and thereby higher pollutant emissions standards for the steel industry. To meet these new thresholds and in order to avoid production restrictions, most basic oxygen furnace mills have actively increased their steel scrap input. It has been reported that their steel scrap/crude steel ratio is currently around 25-30%. In addition, many new electric furnaces are being installed or are in the pipeline for the near future. Worldsteel confirms that China's electric furnace production increased from 54 million tonnes in 2017 to 120.7 million tonnes last year. As a result, further investments in steel scrap processing are planned, especially in shredder capacity.
- Also on the increase in 2018 was steel scrap use for steelmaking in the EU-28 (+0.3% to 93.812 million tonnes), the USA (+2.2% to 60.1 million tonnes), Japan (+2.1% to 36.5 million tonnes) and Russia (+5.5 to around 31 million tonnes). Conversely, there were decreases for Turkey (-0.4% to 30.1 million tonnes) and the Republic of Korea (-2.3% to 30 million tonnes). Also last year, there was growth in the proportion of steel scrap used in steel production within China to 20.2%, in the EU-28 to 55.9%, in Japan to 35% and in Russia to 42.5%. In contrast, declines were recorded in the USA to 69.4%, in Turkey to 80.7% and in the Republic of Korea to 41.4%.

- For 2018, total steel scrap use in the seven key countries and regions was 469 million tonnes (+10.1% over the previous year) while related crude steel production was around 1.469 billion tonnes. It is important to note that the figure of 469 million tonnes represents verified data for 81% of global steelmaking. For the world as a whole, we are dependent on estimates of total steel scrap use. Particularly when considering the changes in global crude steel and primary iron production during the course of last year, we would like to mention an estimation project initiated by the steel industry in order to better quantify total steel scrap use in global crude steel production.
- Global annual ferrous scrap use in the world's iron and steel foundries has been between 69 and 73 million tonnes over recent years.
- According to Official Trade Statistics/WV Stahl, global external steel scrap trade - including internal EU-28 trade - amounted to 105.4 million tonnes last year (+2.6% compared to 2017).
- Small decline in Turkey's overseas steel scrap purchases:
 - Last year brought a small decline in Turkey's overseas steel scrap purchases of 1.5% to 20.660 million tonnes. However, the data still confirm Turkey's position as the world's foremost steel scrap importer. The country's main supplier was the USA (-2.4% to 3.705 million tonnes).
 - The Republic of Korea was the world's second-largest steel scrap importer in 2018 with a year-on-year increase of 3.5% to 6.393 million tonnes. The country's main supplier was Japan (+0.7% to 4.041 million tonnes).
 - The world's third largest steel scrap importer last year was India with an 18% increase over 2017 to 6.33 million tonnes. The country's main supplier was the United Arab Emirates (+57.6% to 1.160 million tonnes).
 - Also higher in 2018 were steel scrap imports into the USA (+8.5% to 5.030 million tonnes), Taiwan (+24.3% to 3.629 million tonnes), Canada (+64.1% to 3.471 million tonnes), Indonesia (+35.2% to 2.510 million tonnes), Mexico (+7.4% to 1.913 million tonnes) and Belarus (+10.6% to 1.497 million tonnes). Conversely, import declines were recorded by the EU-28 (-7.2% to 2.850 million tonnes), Thailand (-1% to 1.724 million tonnes) and China (-42.3% to 1.345 million tonnes).
 - We have also received an official 2018 steel scrap import figure for Pakistan of 4.366 million tonnes (-8.8% compared to the previous year).
- Steep upturn in US steel scrap exports:
 - 2018 produced a steep upturn in US overseas steel scrap shipments of 15.4% to

17.332 million tonnes, the main buyer being Turkey on 3.433 million tonnes (-5.5% year on year).

- The EU-28 remained the world's leading steel scrap exporter last year in upping its outbound shipments by 6.7% to 21.436 million tonnes. The major buyer of EU-28 steel scrap was Turkey (-5.7% to 11.091 million tonnes).
- In 2018, an upturn was apparent in steel scrap exports from Russia (+4.2% to 5.542 million tonnes) and Canada (+15.8% to 5.107 million tonnes). In contrast, there was a year-on-year decline in Japan's overseas shipments of steel scrap (-9.8% to 7.405 million tonnes). Drops in overseas shipments were also recorded last year by Australia (-0.6% to 1.968 million tonnes), Hong Kong (-6.2% to 1.295 million tonnes) and Singapore (-1.9% to 0.775 million tonnes).
- In 2018, there was a sharp decrease in steel scrap exports from China (-85% to 0.337 million tonnes).
- Most of the world's leading steel scrap exporters are major net steel scrap exporters: last year's export surplus was, for example, 18.6 million tonnes for the EU-28 and 12.3 million tonnes for the USA.
- Over the past 10 years, we have been able to show the worldwide use of ferrous scrap as a raw material in steelworks and foundries, as well as to underline that ferrous scrap is an ecological raw material and an internationally-traded commodity subject to world market prices.

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