Bureau of International Recycling



PRESS RELEASE

# *Recent BIR World Recycling Convention & Exhibition in Singapore (23-25 May 2011)*

## Stainless Steel & Special Alloys Committee: **Stainless rides the roller-coaster**

Brussels, 30 May 2011

Most experts are anticipating a record-high global stainless steel production of more than 35m tonnes this year compared to approximately 33m tonnes in 2010, the BIR Stainless Steel & Special Alloys Committee meeting in Singapore was informed on 23rd May 2011 by its Chairman, Michael Wright of ELG Haniel GmbH. But despite high output levels in the first half of the year, the third quarter of 2011 is being viewed with greater caution, he added.

Mr Wright described recent months as a "roller-coaster" as low levels of scrap purchasing in late 2010 gave way to a period of substantial re-stocking by stainless steel mills throughout the first quarter and into the second quarter of the current year; however, the outlook has recently become less certain. Scrap availability has been good and is expected to remain so in the third quarter.

The Chairman's observations were reinforced by expert feedback from various parts of the world: the US market report prepared by Barry Hunter of Hunter Alloys and Danny Fischer of Shapiro Metals, for example, noted that mill purchases of 18/8 scrap were substantially lower for April deliveries when compared to previous months; and the German report from Frank Waeckerle of Cronimet suggested that, following a positive start to the year, the outlook for the rest of 2011 is far less clear.

As for market conditions in Asia, the report submitted by Mark Sellier of OneSteel Recycling spoke of below-par local demand for scrap. From India, by contrast, Anand Gupta of Ambica Steels



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revealed that domestic stainless mills had enjoyed almost 100% capacity utilisation levels since the start of 2011, supported primarily by demand from foreign markets.

Dmitry Kuznetsov, Chief Analyst at MMC Norilsk Nickel in Russia, agreed with Mr Wright's earlier assertion that world stainless steel production was likely to reach 35m tonnes in 2011. He also predicted that the refined nickel market would achieve a reasonable balance in the current year, to be followed by a "modest surplus" in 2012.

According to fellow guest speaker Markus Moll, Managing Director of Austria-based Steel & Metals Market Research, stainless steel production will remain below real demand in the third and fourth quarters of 2011. "The good news is that demand is holding up," he told delegates at the Shangri-La Hotel in Singapore. The speaker also maintained that the influence of 200 series stainless steel would greatly diminish in emerging Asian countries over the coming years as quality demands increased in the region.

But on a less positive note, Mr Moll underlined the urgent need for consolidation within the stainless steel production industry given that, last year, unused capacity versus the stainless steel market by region was running at 52% for Europe, 65% for America and 55% for China.

Commenting on the superalloys market, Phil Rosenberg of Keywell in the USA confirmed continuing strong demand from the aerospace industry.

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