



Presentation by Keyvan Jafari Tehrani
Powered by Dynamic Interaction ®



Impact on Global Steel Industry amid Ukraine-Russian War

1. Shortage of Energy in Europe
 - Europe imported 155 billion cubic meters of Russian gas in 2021.
2. Shortage of Semi-finished Steel and Finished Steel in Europe
 - Europe imported around 4 million tones of slab, 2.6 million tones of HRC, 355,000 tones CRC, 654,100 tones of hot-dip galvanized from Ukraine and Russia in 2021.
3. Shortage of Pig Iron in the US
 - US imported 3.68 million tones of pig iron from Ukraine and Russia in 2021.
4. Global Raw Material Prices surged amid CIS absence, impacted the overall Steel Supply Chain
5. Steel offers from India, Turkey, Japan, China and South Korea skyrocketed on the back of Coking Coal Supply Disruption from Russia and Iron Ore and Pellets from Ukraine during the War and unfortunate Monsoon in Australia
6. Europe redistributed Ukrainian quota among the major exporting Nations

Pandemic of Covid-19 in China and Impacts of Lockdown in Steel Trade

1. Lockdown in Shanghai and Major Eastern Cities impacted the overall domestic demand in China
 - Zero-Covid policy has breakdown all the steel trade activities in Chinese domestic market.
 - Construction and real estate industry is shutdown.
2. Port Interruption impacted the imports of Crucial Raw Materials in China
 - Port congestion increased almost by 200% in April 2022 as compared to March 2022.
 - Export shipments are delayed due to lockdowns.
 - Imported materials are stuck at ports – iron ore and coal especially.
 - All the trucks are banned in Shanghai & Ningbo, except for supplying medical supplies.
3. Excess Steel Supply from China likely to increase exports but offers are expected to drop and shipments are expected to get delayed.
4. Price of Iron Ore 62% passed over USD 160 in both early March and April, but reduced to USD 140 level at early May. China Market doesn't eager too much and its price to be manoeuvred around the same level (USD 140 +- 2) mostly.

China and sometimes Turkey Gains from Cheap Raw Materials & Semis Imports from Russia

- Amid Ukraine-Russia War, China Imported a large quantity of Billets, Slabs and Coking Coal from Russia at a very cheaper prices. Turkey had done the same but with much less quantity
 - Cheaper slab imports from Russia helped China to roll out HRC at a very discounted price, which created panic in the global market.
 - Because of cheaper slab imports, China has become dominant exporter of HRC in Vietnam, GCC and Europe (duty paid).
 - China is aiming to become coking coal exporter in the near future on the back of coking coal imports from Russia and Mongolia.
 - China to increase coking coal intake by 20-22 million tones from Mongolia and around 15 million tones from Russia in 2022.
- In the short and Medium Term; China will continue to pose as a threat to India and other steel exporters, mainly on the back of strong Steel Supply Chain and Low Offers.

India Upcoming Steel Capacity Expansions

- India Crude Steel Production Capacity to reach 300 million tones/year by 2030-2031
 - Integrated steel plant capacity 180-185 million tones/year and non-integrated steel plant capacity 110-115 million tones/year by 2030-2031.
 - DRI production capacity to reach 75-80 million tones/year by 2030-2031.
 - HRC production capacity to reach 105-110 million tones/year, CRC to reach 50-55 million tones/year by 2030-2031.
 - Rebar production capacity to reach 70-75 million tones/year and wire rod to reach 15-20 million tones/year.
- According to Indian Steel Minister; RCP Singh, Indian Steel Production will reach 500 million tones/year by 2047 and will become Carbon Neutral by 2070