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WSD's steel experience, steel database and availability of steel statistics are the principles for performing steel forecasts, studies and analysis for international clients. WSD seeks to understand how the "pricing power" of steel companies the world over will be impacted by changes in the steel industry's structure. The views and opinions expressed in this article are solely those of World Steel Dynamics and not necessarily those of AIST.



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Global steel trade: 42% of non-Chinese output

Global steel trade, including semi-finished, rose in 2017 to an estimated 448 million metric tons from 361 million metric tons in 2005 — for a compounded growth rate of 1.8% per annum. During this period, trade in finished steel products rose 2.5% per annum to 396 million metric tons, while trade of semi-finished steels fell 1.8% per annum to 52 million metric tons (Table 1).

In 2017, global exports of hot-rolled sheet were about 94 million metric tons, which was well above the exports of 48 million metric tons each for cold-rolled sheet and galvanized sheet, and 38 million metric tons for pipe and tube.

Given steel production in 2017 of 1.71 billion metric tons and a yield to finished steel products of 89.5%, finished steel product output was 1.53 billion metric tons. Trade in finished steel products at 397 million metric tons amounted

to 26.0% of production. When subtracting China's exports last year of 75 million metric tons and its steel production of 854 million metric tons (Table 2), non-Chinese steel exports of 322 million metric tons amounted to 42.0% of non-Chinese steel product output of 766 million metric tons.

Given the importance of the steel export business, no wonder it's a major event when the world export price collapses. In the past, when this has happened, the mills have sought to consolidate as a means to recapture "pricing power." Nowadays, the consolidation strategy no longer works because there are too many players. But, the mills have found a better solution — it's a new "Age of Protectionism" created by the avalanche of steel trade suits since 2016 filed against the Chinese steel mills.

This report includes forward-looking statements that are based on current expectations about future events and are subject to uncertainties and factors relating to operations and the business environment, all of which are difficult to predict. Although WSD believes that the expectations reflected in its forward-looking statements are reasonable, they can be affected by inaccurate assumptions made or by known or unknown risks and uncertainties, including, among other things, changes in prices, shifts in demand, variations in supply, movements in international currency, developments in technology, actions by governments and/or other factors. ◆

Table 1

Global Steel Trade Exports World Total (thousand metric tons). Source: WSD estimates.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017e
Semi-finished	64,827	66,116	66,598	65,728	52,489	58,887	57,195	58,763	53,850	52,627	50,229	49,465	51,877
Wire rod and wire	27,947	31,108	31,990	30,814	23,650	26,952	28,590	29,453	31,065	35,142	36,153	35,750	33,037
Bars													
Merchant bar	20,628	23,027	26,497	29,082	16,190	21,546	24,739	25,364	26,870	36,031	45,302	44,066	26,918
Rebar	18,822	23,044	25,473	27,491	23,284	20,714	22,581	25,105	26,184	24,883	25,624	26,220	21,474
Total	39,450	46,071	51,970	56,573	39,473	42,260	47,320	50,469	53,053	60,914	70,926	70,286	48,392
Structurals	16,654	19,789	25,103	22,500	14,476	17,200	19,405	20,102	20,057	20,963	20,303	20,122	20,554
Total long products	84,051	96,968	109,063	109,887	77,599	86,412	95,316	100,024	104,175	117,018	127,382	126,158	101,983
Plate													
Heavy	29,718	35,548	41,675	41,690	25,907	31,541	34,179	32,448	30,243	34,458	33,371	33,662	33,244
Medium	698	610	565	1,044	721	998	864	640	663	586	393	480	650
Total	30,416	36,157	42,240	42,734	26,628	32,539	35,043	33,088	30,905	35,044	33,765	34,142	33,894
Sheet													
Hot rolled	63,535	74,329	75,388	71,329	58,093	71,081	71,890	70,601	71,950	80,432	88,746	89,846	93,955
Cold rolled	39,690	43,616	41,411	40,002	33,028	40,641	42,248	40,754	41,726	46,171	45,063	43,270	48,075
Tinplate	5,669	5,732	6,016	5,830	5,004	6,195	5,899	5,837	5,764	6,261	6,237	6,760	6,753
Galvanized	27,603	32,805	34,216	32,327	24,849	34,470	36,524	36,356	37,214	40,861	42,368	44,738	48,281
Other coated	10,375	11,741	13,095	14,678	10,852	14,721	18,053	17,715	17,679	20,149	21,017	22,210	22,779
Total	146,872	168,223	170,126	164,165	131,826	167,108	174,614	171,263	174,333	193,874	203,431	206,824	219,843
Total flat products	177,288	204,380	212,366	206,899	158,455	199,647	209,657	204,351	205,239	228,919	237,196	240,966	253,737
Railway material	2,677	2,913	3,349	3,588	3,246	3,773	3,626	2,520	2,245	2,552	2,700	2,260	2,903
Pipe and tube	32,459	37,466	40,114	41,687	26,982	33,153	39,891	39,809	37,272	39,957	34,314	32,448	37,589
Other	19	21	16	19	13	29	46	92	98	98	64	60	65
Total other products	35,155	40,400	43,479	45,293	30,241	36,955	43,562	42,420	39,616	42,606	37,078	34,768	40,557
Finished steel	296,493	341,748	364,909	362,079	266,295	323,014	348,535	346,795	349,030	388,543	401,655	401,892	396,277
Semi and finished	361,320	407,864	431,507	427,806	318,784	381,901	405,730	405,558	402,880	441,170	451,885	451,357	448,154

Table 2

China Steel Product Exports (million metric tons). Source: Steel home and WSD estimates.

	2010	2012	2014	2015	2016	2017			2018e		
						Export	Change		Export	Change	
							by vol.	rate (%)		by vol.	rate (%)
Bar and wire	5.19	11.49	30.86	43.89	41.30	16.16	(25.14)	(60.9)	20.00	3.84	23.8
Section	1.93	3.35	4.60	5.24	5.01	3.23	(1.78)	(35.5)	3.00	(0.23)	(7.1)
Flat products	24.79	26.75	43.67	48.46	48.02	43.24	(4.78)	(10.0)	35.00	(8.24)	(19.1)
Hot-rolled band	9.23	6.31	13.31	15.70	15.80	13.91	(1.89)	(12.0)	10.00	(3.91)	(28.1)
Cold-rolled coil	3.15	3.93	6.29	6.19	4.70	5.11	0.41	8.7	4.80	(0.31)	(6.1)
Galvanized	3.58	4.99	7.57	8.94	9.78	9.34	(0.44)	(4.5)	9.00	(0.34)	(3.6)
Others	8.83	11.52	16.50	17.63	17.74	14.88	(2.86)	(16.1)	11.20	(3.68)	(24.7)
Pipe and tube	7.31	9.63	10.06	9.98	9.66	8.76	(0.90)	(9.3)	8.00	(0.76)	(8.7)
Railway	0.48	0.54	0.59	0.80	0.51	0.31	(0.20)	(39.2)	0.30	(0.01)	(3.2)
Other	2.75	3.97	1.00	4.02	3.98	3.90	(0.08)	(2.0)	3.70	(0.20)	(5.1)
Total	42.45	55.73	93.78	112.39	108.48	75.60	(37.66)	(30.3)	70.00	(13.84)	(7.4)