



is a leading steel information service in Englewood Cliffs, N.J., USA.

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.

For more information, email wsd@worldsteeldynamics.com.



Authors

Philipp Englin (top row, left)
Chief Executive Officer, World Steel Dynamics, Englewood Cliffs, N.J., USA

Adam Green (top row, right)
Managing Director, World Steel Dynamics, Englewood Cliffs, N.J., USA

John Villa (bottom)
Senior Research and Operations Director, World Steel Dynamics, Englewood Cliffs, N.J., USA

China Housing Market: Where Is the Bus Heading?

Repairs to the “Bus” Badly Needed

Building on WSD’s long-running metaphor of the Chinese economy and its steel industry “driving the bus” of global trends, it’s quite apparent that the recently crashed bus is now badly in need of repair. The question is: how long will it take to fix it, and will it ever run as fast as it did in the past? As WSD sees it, the list of repairs is long and substantial enough where it could take some time, possibly a full year, before China’s property sector — the “engine” of China’s steel industry and a key component of the overall economy — is revived into a working condition. The most recent list of factors influencing the situation is as follows:

- Sales of new homes continued to deteriorate rapidly in September 2022, down 26% versus one year prior, albeit slightly better than the August 2022 figure of -27% on the same basis (Fig. 1):

- This comes despite a recent easing of mortgage rates — unprecedented in its scale — as well as a number of policy tools deployed in recent weeks aimed at loosening credit to the beleaguered sector.
- In addition to improving homebuying credit conditions, China’s central government policymakers have ceded decision-making control over property policies to local governments, including down payment ratios and other items.
- The real crisis, especially from the viewpoint of steel consumption, continues when it comes to new housing projects, which fell ~38% on a year-on-year basis in September (versus 37% in August). Year to date, the decline stands at ~29%.
 - According to some reports, local government financing

Figure 1



China property market: new starts vs. floor space of commercial residential buildings sold (year-on-year growth). Sources: NBS, Reuters, WSD estimates.

vehicles (LGFVs), entities generally responsible for funding local government infrastructure projects, have been ordered to purchase land from local municipalities as a means of backstopping a brewing fiscal crisis at the local government level. This is an effort to offset the massive decline in local government revenues, 20–40% of which have been tied to land sales to real estate developers in recent

years. As these developers suffer from a debt crisis, LGFVs are “plugging the hole” in local government budgets for the time being. This, of course, portends poorly for the future possibility of actually construction ever unfolding on the land sold under these circumstances, as LGFVs are not well equipped to turn their recently acquired land into housing projects.

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. ◆

Brimacombe Continuous Casting Course, Billets, Blooms and Slabs

This course is designed for people who are concerned with controlling and improving the quality and production rate of continuously cast steel shapes. This group includes operating personnel, quality control and research personnel, management personnel and individuals in support industries associated with continuous casting.

Course Directors:

I.V. Samarasekera, Bennett Jones LLP
E.S. Szekeres, Casting Consultants, Inc.

Instructors:

I.V. Samarasekera, Bennett Jones LLP
E.S. Szekeres, Casting Consultants, Inc.
R.J. O'Malley, Missouri Univ. of Science Tech.
B.G. Thomas, Colorado School of Mines

April 17-21, 2023

Vancouver, British Columbia, Canada

Sponsored by

The Brimacombe Continuous Casting Society

Topics to be covered include chemical interactions, steel cleanliness, transfer operations, fluid flow, tundish metallurgy, mould design/behaviour, spray systems, heat extraction, solidification, segregation, crack formation and new technology such as strip/thin slab casting. The course offers a practical understanding of the continuous casting process and quality, based on fundamental principles, and addresses problems commonly experienced in production. Personnel newly-assigned to strand casting find this Course very beneficial.

Course Coordinator: Mary Jansepar
e-mail: info@brimacombecourse.org

Early registration encouraged. Limited enrollment of 150.
For further information, please email: info@brimacombecourse.org or phone (604) 916 2659.