









## CHINA STEEL INTELLIGENCE REPORT

China's policy  
is at a turning  
point

## IN THIS MONTH'S ISSUE

### China's policy is at a turning point

 <p><b>EDITORIAL</b></p> <p>PAGE 1</p>	<p>Figure 1. Steel production and demand 2018-2020            Figure 2. Local Government Special Bond issuance            Figure 3. Development of EAF capacity            Figure 4. China's scrap supply growth            Figure 5. Steel industry raw materials by 2025            Table 1. Supply and Demand            Table 2. Key Baosteel/Baowu acquisitions</p>
 <p><b>SUPPLY &amp;</b></p> <p>PAGE 7</p>	<p>Figure 6. Satellite data shows early-Feb output dip            Figure 7. Inventory jumps, but not like 2020</p>
 <p><b>POLICY WATCH</b></p> <p>PAGE 8</p>	<p>Table 2. Apparent steel use per capita</p>
 <p><b>END USERS</b></p> <p>PAGE 9</p>	<p>Figure 8. Real estate prices steady            Figure 9. Automotive steel demand</p>
 <p><b>TRADE</b></p> <p>PAGE 11</p>	<p>Table 3. China's export markets            Table 4. China's import markets</p>
 <p><b>MARKETS</b></p> <p>PAGE 13</p>	<p>Table 5 &amp; Figure 10. Chinese Longs prices            Table 6 &amp; Figure 11. Chinese Flats prices            Table 7 &amp; Figure 12. Chinese Raw Materials prices</p>



# CHINA'S POLICY IS AT A TURNING POINT

BY TOMAS GUTIERREZ

China has come off the back of a difficult year, but in terms of policy in the steel industry the real challenges are just beginning. China is finally approaching peak steel and is planning on a restructuring of the economy. The focus this month then is on the 'Two Sessions,' the annual political meetings in Beijing which approve policy.

China is looking to sustain growth, but avoid excessive stimulus. It needs to reduce pollution, without losing jobs. It needs to move towards higher tech sectors, while sustaining profits in old industries. How will it do that?

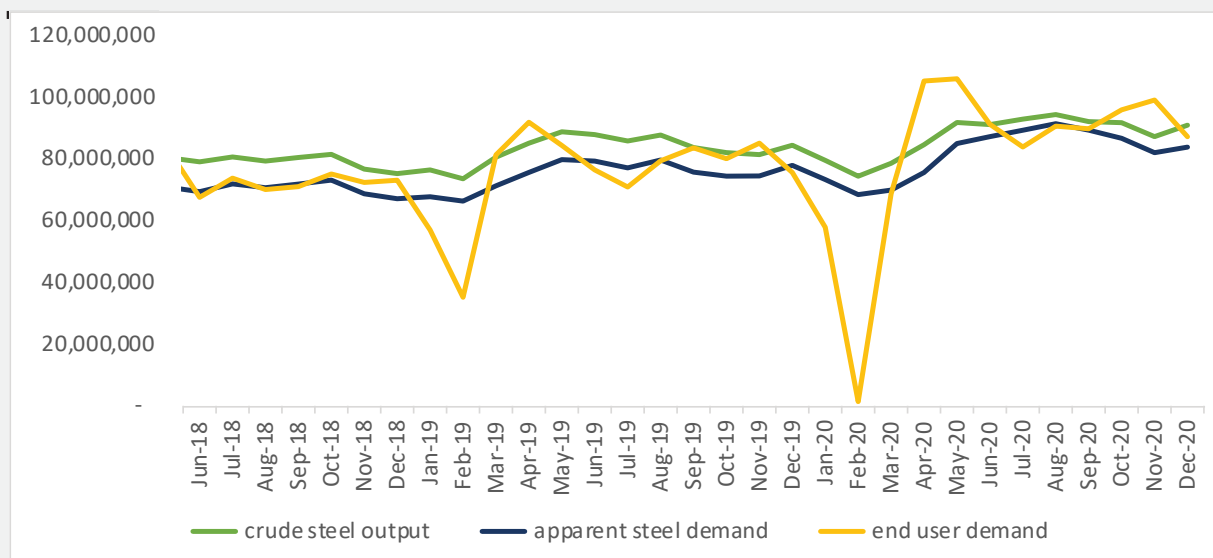
China's 'two sessions' political gatherings make some of the most important economic planning decisions of the year. They began on 4 March and some information is now available from them. In addition to deciding how China aims to climb out of the year of Covid, the sessions will also approve the new 14th Five-Year Plan (2021-2025). So what do we know so far?

TABLE 1. SUPPLY AND DEMAND

	2020	Y-o-y	2021 OUTPUT	Y-o-y
Official Crude Steel Output	1053	5.20%	1080	2.8%
Apparent consumption	985	9.20%	976	-0.90%
End user demand	980	8.40%	978	-0.20%

Source: Kallanish. Million Tonnes

FIGURE 1. STEEL PRODUCTION AND DEMAND 2018-2020



Source: Kallanish. Million Tonnes







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