South East Asia Report

September 2025

For Subscription & Other Enquiries:

CALL
UK: +44 20 3885 7100
Germany: +49 304280 2034
Spain: +34 9190 31151
Singapore: +65 9766 8157
Bulgaria: +44 203 885 7285
USA: +1 412 569 8133
Shanghai: +86 1502 1416 087

EMAIL
General info@kallanish.com
Editorial editorial@kallanish.com
Sales sales@kallanish.com

www.kallanish.com

In the news

Raw Materials

BMI holds iron ore price forecast at $100/t
BMI Country Risk and Industry Research has maintained its 2025 iron ore price forecast at $100/tonne, though warning of downside risks.

DMCI's BNC secures MPSA for Philippine mine
Berong Nickel Corporation (BNC) has agreed mineral production sharing with the Environment Department for its 1 million t/y Long Point nickel ore project, starting Q4 2025.

Rio Tinto announces reorganisation, new iron ore ceo
Rio Tinto has reorganised its business into three divisions, iron ore, aluminium and lithium, and copper. Iron ore includes Western Australian, Canadian and Guinean operations.

Iron and steel capacity

Hoa Phat commissions BOF, readies for BF launch
Vietnam's Hoa Phat Group has commissioned its second 300t, 9,000 t/day BOF and RH vacuum refining furnace at Dung Quat Phase 2.

Hoa Phat resumes No.1 BF at Dung Quat
Hoa Phat Group resumed operation of blast furnace No.1 at Dung Quat in early-August. All four first-phase 1,2m t/y, 1,080 cubic-metre blast furnaces, are now in operation.

Company

VNSTEEL approves capital restructuring in Vinausteel
The board of Vietnam Steel Corporation has approved converting 100% holding subsidiary, Vinausteel, into a joint stock company with a capital increase to VND 196 billion ($7.5m).

G Steel, affiliate report losses despite higher sales
Thailand's G Steel reports higher revenue and a surge in sales volume, partly offset by lower prices. Affiliate G J Steel reported lower Q2 revenue due to lower prices.

Pomina records negative equity amid plant suspension
Vietnam's Pomina Steel has slipped into negative equity for the first time, with accumulated losses surpassing its charter capital, after 13 consecutive quarterly losses.

G J Steel maps out recovery amid losses
Thailand's G J Steel plans to invest THB 1.5 billion ($46m) in three years in a new scrap management system, refurbishment of outdated facilities, and new machinery.

Vale Indonesia targets higher nickel production
Vale Indonesia is targeting increased production of 71,234t of nickel in matte for 2025, surpassing its 2024 target, based on effective execution of planned maintenance activities.

Trade & Policy

Vietnam's iron, steel trade declines in July
Vietnam's steel imports fell 1.2% on-month in July to 1.15mt, due to a 6.2% m-o-m drop from China. Exports fell 14.9% m-o-m to 792,576t, on lower shipments to Italy and India.

Industry

Hyundai to spur Philippine shipbuilding steel demand
South Korea's HD Hyundai Heavy Industries aims to build up to ten vessels at Philippines' Subic Bay through a ten-year lease through Agila Subic from the former Hanjin shipyard.

Thailand cracks down on nominee-run steel companies
Thailand's Ministry of Commerce is investigating a steel trader in Bang Sao Thong citing discrepancies between the company's registered shareholder and its actual operations.

Malaysia steel sector needs phased, rapid carbon pricing
Malaysia needs carbon pricing of MYR 200/t ($47/t) to decarbonise its steel sector and maintain competitiveness, says the Institute for Democracy and Economic Affairs (IDEAS).

Malaysia's car production rises on-year in July
Malaysia's new car production rose 1% on-year to 71,439 units in July, according to the Malaysian Automotive Association (MAA). New car sales fell by 5% y-o-y to 70,057 units.

Markets: Flats

Vietnam's hot rolled coil (HRC) import market experienced a volatile August, as prices moved within $490-505/t cfr. Sentiment shifted repeatedly as traders balanced import risks against stable local supply.

In early August, import prices softened in line with a correction on the Shanghai Futures Exchange. Chinese-origin Q235 HRC offers slipped to $485-490/t cfr, from late-July peaks near $500/t. Some Vietnamese buyers booked around 10,000t at $485-486/t cfr on 30-31 July. Domestic rerollers lifted downstream product prices citing higher base material costs. For example, Hoa Sen announced increases for galvanized products, reinforcing a firmer price floor.

Vietnam's Hoa Phat announced on 4 August quotes for non-skin passed SAE1006 or SS400 grade HRC for September delivery at the equivalent of around $515/t cfr southern Vietnam, excluding VAT, up $15/t from July. In VND terms, the latest HRC price of VND 13,580/kg cfr southern Vietnam is VND 530/kg higher than July's official VND prices. The prevailing exchange rate is VND 26,370 per US dollar. The mill's quotes to northern and central Vietnam were raised by the same margin to VND 13,550/kg cfr. Its prices are based on 40-50% of the lot comprising 2mm thickness strip and the remainder 2.3-3mm thickness. Buyers of large orders of 20,000t and more would get a discounted price of around $506-507/t cfr Southern Vietnam, a Vietnamese trader heard. The mill accomplished sales of nearly 500,000t within one week after the price adjustment, another source said.

Vietnamese hot strip producer Formosa Ha Tinh Steel officially announced on 8 August a hike of around $10/t in its domestic non-skin passed SAE 1006 HRC prices for September/October shipment to $507-517/t cfr southern Vietnam. The list price of $517/t (VND 13,644/kg) applies to bookings below 2,000t, with prices moving downwards for different tonnage order categories to the lowest of $507/t (VND 13,384/kg) for bookings of minimum 20,000t.

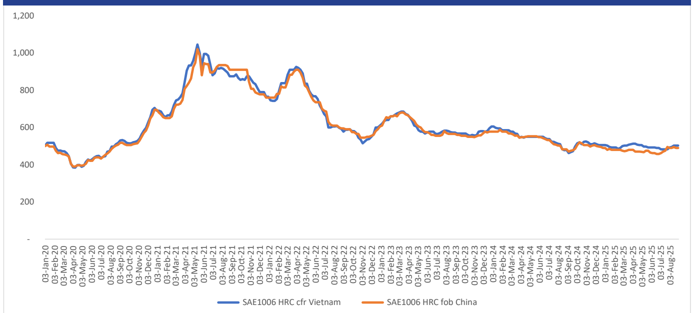
By mid-August, sentiment turned upwards as both Formosa Ha Tinh Steel and Hoa Phat sold out allocations quickly after price hikes. Chinese Q235 offers moved higher to $505-510/t cfr, while Dexin's offers from Indonesia followed at similar levels. A bulk deal of 30,000t of Malaysian HRC at $503/t cfr illustrated continued import activity, although Japanese and South Korean offers at $530/t cfr attracted little interest.

Buying of domestic HRC has been strong since anti-dumping measures were imposed on Chinese HRC earlier this year, a local Vietnamese trader told Kallanish. The strong run-up in Chinese HRC in July also underpinned price acceptance in the region.

Late-August, however, brought renewed softness with Chinese Q235 offers easing to $495-497/t cfr alongside weaker futures and strong domestic competition. South Korean 2mm thickness HRC offer also declined to around $520/t cfr.

Product	End Aug	W-o-w	M-o-m	Y-o-y
SAE1006 HRC cfr Vietnam	$500-505/t	0.0%	2.0%	4.7%
SAE1006 HRC cfr Vietnam	$485-495/t	0.0%	0.0%	1.6%

SE Asian Flat prices



Deals for the month

Date	Product	Vol.	Origin	Shipment	Price	Destination
Early-Aug	2mm thickness HRC	30,000t	Malaysia	Late-Oct/ Nov	$503/t cfr	Vietnam
The week of 22 Aug	3mm thickness HRC	30,000t	Indonesia	Nov	$500/t cfr	Vietnam
Late-Aug	1,900mm SAE 1006 HRC	N.A	China	Late-Oct	$497/t cfr	Vietnam

Source: Kallanish ($/t)

Yet the landscape shifted again when Chinese customs reportedly detained 200,000t of non-VAT cargoes bound for Vietnam. Some traders warned of potential cancellations on [previous] cargoes booked as low as $450/t cfr. Such sellers which export at low prices have long been suspected of circumventing the full payment of VAT.

The crackdown strengthened sentiment by sidelining ultra-cheap inflows. Larger Chinese mills held offers firm at $490-500/t cfr, while Indonesian HRC was heard at $500/t cfr for November shipment. Japanese SAE1006 offers remained higher at $514/t cfr, but buying interest was limited.

Vietnamese buyers who had booked the impounded cargoes for August/September shipments face shipment delays. However, other HRC suppliers have welcomed the move. "It's good news for us actually," a Jakarta-based trader says. "We totally cannot compete with non-VAT cargoes."

Kallanish assessed SAE grade 2-2.7mm thickness HRC at $500-505/t cfr Vietnam on 29 August, which was unchanged from a week before and gained by $10/t from a month earlier.

South East Asia Report

Markets: Longs

The Singapore rebar import market in August saw gains early in the month but then turned weaker, driven by shifting supply reductions in Malaysia and fluctuations in Chinese futures.

In early-August, rebar prices rose steadily as Chinese suppliers lifted offers to $485-495/t cfr following a stronger futures market. A deal was reported for China-origin rebar at $480/t cfr Singapore, though volumes were unclear. Malaysian theoretical-weight rebar offers also climbed to around $500/t dap, reflecting tight availability and an upcoming blast furnace maintenance. A shortage of small-diameter bar began to surface, with traders noting stronger premiums and limited allocation to Singapore. Buyers were previously buying smaller tonnages from the mill and therefore did not accumulate stocks.

Rebar prices spiked further in the middle of the month as domestic shortages in Malaysia intensified. Local rebar prices jumped above MYR 2,350/t delivered, curbing supply to Singapore and driving import offers higher. Smaller rebar sizes, such as 10mm and 13mm, commanded significant premiums, with some Singapore buyers willing to pay $520-540/t amid scarcity. Malaysian rebar offers held firm at $500/t dap for November deliveries, while Chinese offers edged up to $495-500/t cfr amid supply shortage. Market participants reported Chinese suppliers were beginning to withdraw offers in response to volatility.

Toward the end of the month, sentiment softened as Chinese futures cooled. Offers for Chinese rebar dipped back to $485-490/t cfr, while Malaysian prices eased to $490/t dap. The anticipated arrival of Chinese small-size rebar shipments in September and October, as well as resumed Malaysian production helped ease supply tightness. Still, traders noted that prices were unlikely to fall much further, with mills facing cost pressures.

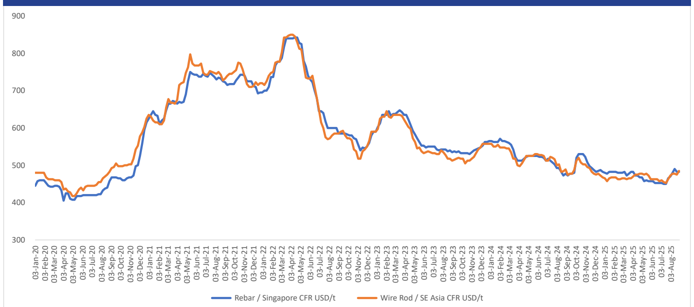
Kallanish on 28 August assessed BS4449 500B 10-40mm diameter rebar at $480-485/t cfr Singapore theoretical weight, unchanged on-week and surged by $12.5/t on-month.

The Philippines wire rod import market in August experienced a volatile month, with offers swinging higher amid regulatory developments on VAT compliance of Chinese products.

In early-August, offers for Chinese Q195 mesh-grade 6.5mm wire rod held firm at around $480/t cfr Manila, supported by a rebound on the Shanghai Futures Exchange (SHFE). However, trading was thin as buyers resisted, leaving a wide gap between bids and offers. Indonesia's Dexin Steel was offering November-shipment 6.5mm diameter wire rod at $495/t fob, unchanged from 31 July.

Product	End Aug	W-o-w	M-o-m	Y-o-y
Rebar cfr Singapore	$480-485/t	0.0%	2.7%	1.0%
Wire rod cfr SEAsia	$480-490/t	2.1%	2.6%	-0.8%

SE Asian Longs prices



Deals for the month

Date	Product	Vol.	Origin	Shipment	Price	Destination
Early-Aug	Theoretical-weight rebar	N.A	China	Sep/Oct	$480/t cfr	Singapore
Mid-Aug	6.5mm Q195 wire rod	4,000t	China	Sep	$475/t cfr	Manila
Late-Aug	6.5mm SAE 1006 wire rod	N.A	Malaysia	End-Oct/ early-Nov	$500 cif	Thailand
Late-Aug	6.5mm SAE 1006 boron-added wire rod	N.A	China	Oct	$505/t cif	Thailand

Source: Kallanish ($/t)

By mid-August, Chinese suppliers attempted to lift offers to $480-485/t cfr for September shipment, but activity remained subdued. Traders in Manila doubted deals were concluded at these levels. Meanwhile, Indonesian supply provided limited alternatives, with Dexin Steel quoting wire rod at $490/t fob.

Sentiment softened by late-August as Chinese futures corrected. Offers retreated to around $480/t cfr Manila, and a 4,000t deal was heard concluded at $475/t cfr.

However, the final week of August saw a sharp reversal, with Chinese offers jumping to $495-500/t cfr Manila. The spike followed China's clampdown on VAT-evasion in steel exports, with tighter enforcement set for October. China's State Administration of Taxation issued on 7 July an order requiring all export agents to submit information of the real exporter and export values simultaneously with prepayment of VAT on exports, effective 1 October. Traders noted that bookings had been concentrated earlier in August at $475-485/t, but the sudden surge in offers halted fresh momentum for deals. Indonesia's Dexin Steel is offering October-shipment 6.5mm diameter SAE1008 wire rod at $490/t fob, unchanged from 13 August.

Kallanish assessed SAE 1008 6.5mm diameter wire rod on 28 August at $480-490/t cfr Manila, rising by $10/t on-week and $22.5/t on-month.

Markets: Semis

The ASEAN billet market in August reported declines as prices responded to buyers' cautious sentiment.

At the start of August, billet prices began to soften after peaking in late July. Offers for Chinese-origin 5sp 150mm billet slipped to $469/t cfr Manila from highs of $475-480/t just a week earlier. Some lower-priced offers emerged, with traders citing $460/t cfr Manila and Jakarta for 3sp material, though market participants questioned whether these were linked to short selling. Buyers pushed back strongly, aiming for deals below $455/t cfr levels, creating a gap that stalled transactions.

By mid-August, prices appeared more stable. A leading Philippine reroller booked Chinese 5sp 150mm billet at $465/t cfr, alongside 15,000t of Vietnamese induction furnace billet at similar levels. These deals highlighted how buyers relied on traders hedged against futures losses to secure cargoes, while SHFE weakness limited sellers' ability to lift offers. Indonesian supplier Dexin Steel cut its 3sp billet offer to $450/t fob, reflecting softening sentiment. In Taiwan, Russian billet was concluded at $463/t cfr, but most Chinese offers struggled to attract interest as buyers resisted levels above $465/t.

Late August brought downward pressure again. A deal in Manila closed at $457-458/t cfr, down from $465/t earlier in the month. Offers briefly fell to $455/t cfr as weaker SHFE rebar futures and lower Chinese fob levels filtered into ASEAN. Indonesian rerollers received Chinese 3sp offers at $455/t cfr, while Philippine buyers capitalised on the softer market, booking multiple cargoes between $455-457/t cfr.

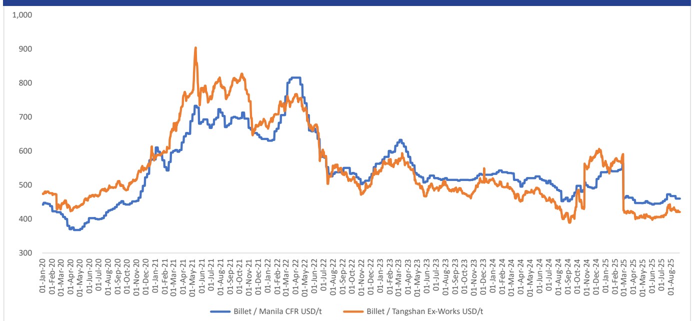
However, by the final week of August, sentiment stabilised. Chinese 5sp 150mm billet offers rebounded to $460/t cfr Manila, while 130mm billet was quoted higher at $465-470/t cfr. Traders said much of the buying for August had already been completed earlier in the month, leaving the market quiet. Still, interest was expected to pick up again in September as inventories were gradually replenished. Meanwhile, Dexin Steel adjusted its offers in tandem with Chinese movements, lowering billet prices mid-month before raising them slightly at the end of August to $447/t fob.

The Philippine market was quieter week-on-week, trading sources say. "I think a number of orders were booked already late July or early this month. We might see some buying activities returning again perhaps by early next month," a Manila trader said in late-August.

On 29 August, Kallanish assessed 5sp/ps or Q275 120/125/130mm square billet at $460/t cfr Manila, remaining stable on-week but slumped by $12.5/t on-month.

Product	End Aug	W-o-w	M-o-m	Y-o-y
Billet cfr Manila	$460-460/t	0.0%	-1.6%	-0.5%
Billet ex-works Tangshan	$421-425/t	0.0%	-2.2%	1.1%

SE Asian Semis prices



Deals for the month

Date	Product	Vol.	Origin	Shipment	Price	Destination
Early-Aug	Slab	N.A	Oman/ Iran	Oct	$446/t cfr	Indonesia
The week of 8 Aug	5sp 130mm billet	10,000t-15,000t	Russia	N.A	$463/t cfr	Taiwan
The week of 8 Aug	4sp 150mm billet	10,000t	Russia	N.A	$463/t cfr	Taiwan
The week of 15 Aug	5sp 150mm billet	N.A	China	Oct	$465/t cfr	Manila
The week of 15 Aug	5sp 150mm billet	15,000t	Vietnam	Oct	$465/t cfr	Manila
The week of 22 Aug	5sp 150mm billet	N.A	China	Oct	$457-458/t cfr	Manila
The week of 22 Aug	5sp 150mm billet	50,000t	China	Oct	$455-457/t cfr	Manila
27 Aug	SAE1006, 11.8m length billet	N.A	China	Oct	$458/t cfr	Taiwan

Source: Kallanish ($/t)

Markets: EAF Raw Materials

Vietnam's imported scrap market saw firmer offers in August, but buyers were largely resisting price increases amid subdued steel demand. Suppliers of US-origin HMS 1/2 80:20 in-container scrap lifted offers to $315/t cfr Vietnam in mid-to-late August, compared with deals concluded at $310/t cfr in early-August. Similar upward adjustments were seen for P&S, shredded, and Busheling grades.

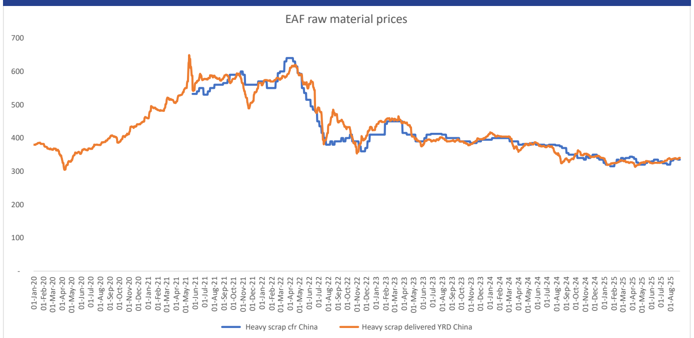
However, Vietnamese mills remain cautious. "We are still expecting to buy at the same level," a southern Vietnam mill manager said, noting that domestic steel prices continue to trail scrap levels. He added that without signs of improvement in finished steel demand, mills are "a bit sceptical" that higher scrap prices will hold. Offers for Japanese H2 scrap were quoted at $320-325/t cfr in mid-to-late August, though mills indicate that $315/t cfr remains the workable level. Market participants stressed that flat finished steel prices and weak demand fundamentals were limiting mills' willingness to chase higher-priced scrap. With regional scrap benchmarks in South Korea and Taiwan under pressure, Vietnamese buyers are focused on maintaining cost discipline rather than following suppliers' price hike attempts.

The Kanto Tetsugen Japanese monthly scrap export tender closed marginally higher on 8 August compared with July. During the recent tender, Itochu Metals was awarded 15,000t of Japanese H2 scrap for shipment by 30 September at JPY 41,888/t ($284/t) fas, about $291/t fob Japan. The award price is JPY 172/t higher than last month's tender and in dollar terms was unchanged. The latest tender attracted 15 bids for a total of 141,000t with a landed cost heard at $320-325/t cfr. The cargo is believed to be intended for an EAF mill in Vietnam.

Taiwan's imported scrap market strengthened through August, supported by sharp gains in domestic rebar prices and higher billet import costs. Containerized US-origin HMS 1&2 80:20 scrap offers climbed steadily from around $300/t cfr at the start of the month to $310-315/t cfr by late August. The rally, however, was accompanied by a noticeable decline in trading volumes as buyers grew cautious at higher levels. Firming US scrap prices also narrowed the price gap with Japanese cargoes, enhancing the competitiveness of Japanese material and drawing renewed interest from Taiwanese buyers. But trading activity remained subdued in mid-August as Japan entered the Obon holiday, limiting available supply and deal flow. Kallanish assessed HMS 1&2 80:20 container scrap on 27 August at $304-307/t cfr Taiwan, remaining stable week-on-week and saw a $9.5/t increase m-o-m, respectively. In August, local EAF mill Feng Hsin Iron & Steel has increased its scrap purchasing price by TWD 500/t($16/t) at TWD 8,900/t for HSM1.

Product	End Aug	W-o-w	M-o-m	Y-o-y
Heavy scrap cfr China	$335-335/t	-0.7%	1.5%	-9.5%
Heavy scrap delivered YRD China	$337-340/t	0.6%	0.6%	1.0%

SE Asian EAF Raw material prices



Source: Kallanish ($/t)

Markets: BF Raw Materials

Seaborne iron ore prices opened August on a weaker note but gradually gained strength before stabilising at elevated levels, reflecting a tug-of-war between policy-driven demand headwinds and supply-related sentiment.

Following the 30 July Politburo meeting, market chatter pointed to fresh capacity audits in provinces such as Hebei and Jiangsu, targeting so-called "zombie" mills, with facilities either idled long term or consistently posting margins below the sector average for six months. The first list of mills earmarked for exit is expected to be announced in August. While these audits reinforced expectations for deeper supply-side reforms in China's steel sector, they also suppressed short-term iron ore demand, weighing on prices in early August.

Steel consumption remained under pressure as extreme weather, typhoons and prolonged heatwaves, curbed construction activity, driving a faster build-up of steel inventories. Yet, stock levels stayed below last year's highs, softening the bearish impact on market sentiment. Meanwhile, robust margins at Chinese steel mills kept blast furnaces running, sustaining baseline iron ore demand.

From mid-to-late August, production restriction news became a decisive factor. In preparation for the 3 September military parade, mills in the Beijing-Tianjin-Hebei region faced enforced curbs, with some blast furnaces idled from late August through early September. These measures temporarily capped iron ore consumption, applying downward pressure on prices. However, expectations of a swift restart post-parade lent support to demand recovery.

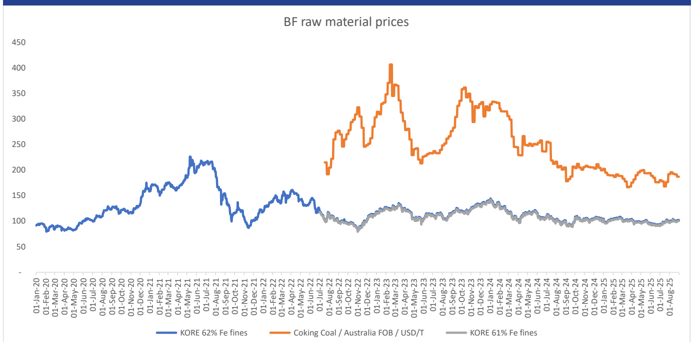
Global supply headlines also shaped sentiment. Operations at Guinea's Simandou project were briefly suspended after a contractor fatality at the SimFer mine site, raising concerns over potential delays to the giant project's first shipment, originally targeted for late 2025 or early 2026. The project, spanning four blocks and designed for 120m t/y of 65.3-65.5% Fe ore, remains central to future supply growth. Rio Tinto has not confirmed whether the incident will alter commissioning timelines, but the temporary halt injected bullishness into the market.

On the trade front, China imported 104.62mt of iron ore and concentrates in July, down 1.3% from June. Over January-July, total arrivals reached 696.57mt, marking a 2.3% y-o-y decline, underscoring the impact of cautious demand and shifting steel industry dynamics.

The Kallanish KORE 61% and 62% Fe index gained by $3.7/t and $3.93/t, respectively, to $100.38/dry metric tonne cfr Qingdao and $102.24/dmt in August. The average spread between KORE 61% and 62% Fe indices were $1.75/t in August, up by $0.8/t from July. The Kallanish KORE 65% Fe index was $6.07/t higher to $119.27/dmt cfr, and the KORE 58% Fe index rebounded by $3.22/t to $89.74/dmt cfr. During the month, iron ore prices peaked on 12 August but bottomed out on 1 August, with the largest price differences of $5.66/t for KORE 61% Fe index, $5.75/t for KORE 62% Fe index, and $6.51/t, $5.64/t for KORE 65% Fe index and KORE 58% Fe index.

Product	End Aug	W-o-w	M-o-m	Y-o-y
KORE 62% Fe iron ore fines	$101-102/t	1.4%	2.8%	0.6%
Coking Coal / Australia FOB / USD/T	$187-187/t	-2.3%	-2.5%	-8.8%
KORE 61% Fe iron ore fines	$99-100/t	1.4%	2.7%	0.6%

SE Asian BF Raw material prices



Source: Kallanish ($/t)

Country Report: Vietnam

Kallanish is launching a new section dedicated to in-depth analysis of downstream steel industries across ASEAN countries, highlighting cross-country trends to provide insights into sector developments. This will complement our ongoing country-focused reports, with the two sections appearing alternately each month to give readers a comprehensive view of the market, and we invite you to share any suggestions or feedback on this content update.

Economy

Vietnam recorded its fastest first-half growth in over a decade, with GDP rising 7.52% year-on-year in the first six months of 2025, according to the country's National Statistics Office. This marks the strongest H1 performance since 2011, underscoring the economy's resilience despite escalating global trade tensions, tariff pressures, and climate-related disruptions.

Services and Industry lead momentum among sectoral contributions, with all major sectors expanding. By structure, services represent 43.4% of GDP, industry and construction 37%, agriculture 11.3%, and taxes less subsidies 8.4%.

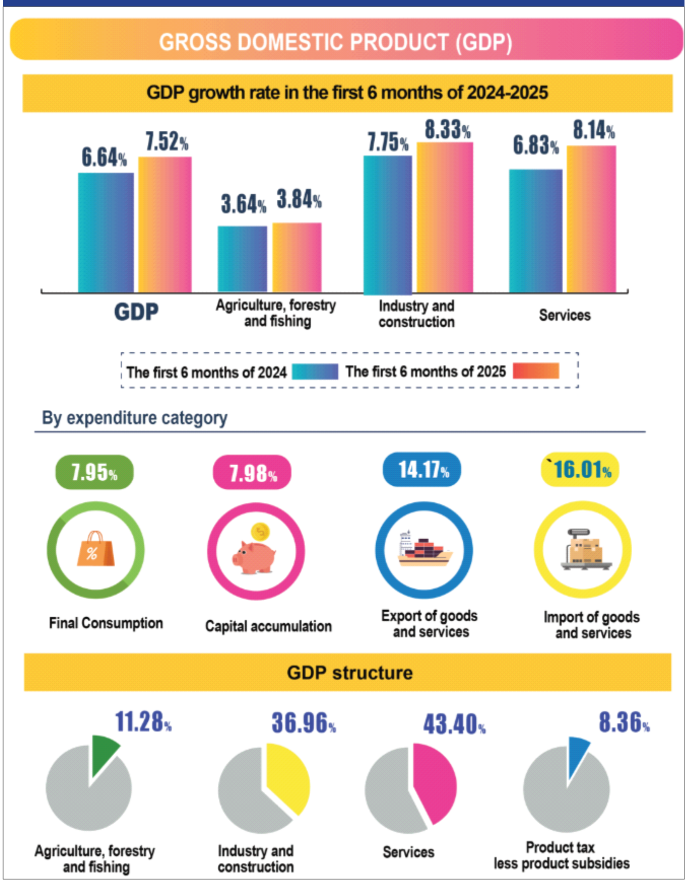
The industrial and construction sectors surged 8.33% in H1, accounting for over 42% of y-o-y growth. Within this, manufacturing stood out as the primary engine, expanding 10.1% y-o-y, buoyed by robust electronics, textiles, and machinery output. Construction also posted its strongest mid-year performance since 2011 at 9.6%, supported by accelerated public investment. However, mining contracted 4.25%, continuing its structural decline.

Foreign direct investment (FDI) also surged. Registered inflows reached $21.5 billion, up 32.6% from a year earlier. Additional capital injections more than doubled, while disbursed FDI hit $11.7 billion, the highest first-half level in five years. These inflows highlight Vietnam's continued attractiveness as a regional manufacturing hub.

Vietnamese government has set an ambitious 8.3-8.5% full-year GDP growth target, with Prime Minister Pham Minh Chinh emphasizing the need to renew traditional drivers, exports, investment, consumption, while cultivating new ones, including digital transformation and green growth. Yet, challenges loom. Geopolitical tensions, shifting supply chains, and US tariffs on Vietnamese goods, 20% on most exports and 40% on re-exported transshipments, add uncertainty.

The ASEAN+3 Macroeconomic Research Office (AMRO) in July raised Vietnam's 2025 growth forecast to 7% from 6.5%, making it the fastest-growing economy in ASEAN+3, which includes the ten ASEAN countries along with China, Japan and South Korea. The revision reflects stronger-than-expected H1 growth, continuing 2024's robust momentum. Despite global tariff tensions and softer demand, Vietnam has maintained macroeconomic stability, supported by diversified exports and reform efforts. However, high exposure to US tariffs poses downside risks, as shipments to the US account for about 30% of exports, AMRO noted. For 2026, growth is forecast at 6.5%. In contrast, ASEAN+3 growth is projected at 3.8% in 2025 and 3.6% in 2026, reflecting external headwinds and trade disruptions.

Vietnam's economic situation in January-June 2025



Source: General Statistics Office of Vietnam

Country Report: Vietnam

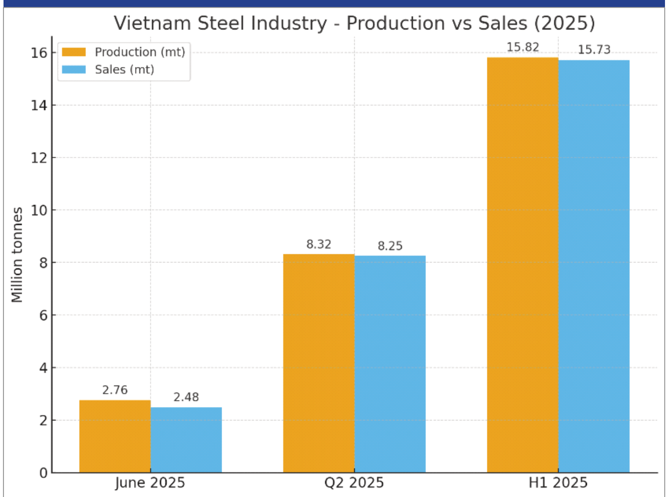
Steel Market

Vietnam's steel industry faced a turbulent first half of 2025, grappling with a combination of global trade barriers, rising protectionist measures, geopolitical conflicts, and a wave of new policies that added uncertainty to the sector.

In June, Vietnam's finished steel production stood at 2.763mt, reflecting a slight 1.3% decline from May but a solid year-on-year increase of 12.2%, according to the Vietnam Steel Association (VSA). However, steel sales across all product categories dropped by 13.8% from the previous month to 2.485mt, though this still marked a 5.1% rise from June 2024.

In the second quarter, the country produced 8.318mt of finished steel, up 13.4% y-o-y, while total sales reached 8.254mt, increasing by 8.7% y-o-y. Despite the recovery in domestic sales, steel exports took a sharp downturn. Cumulatively, for the first six months of 2025, Vietnam's finished steel production rose by 9.7% y-o-y to 15.825mt, and steel sales increased by 10.2% to 15.727mt. This decline highlights the pressure from global trade defence measures and weakening overseas demand, VSA noted.

Vietnam's steel production and sales June/H1 2025



Source: VSA

The South East Asia Iron & Steel Institute (SEAISI) forecast in June at its SEAISI conference held in Jakarta that ASEAN steel demand will rise over the next two years. This is subject to risks associated with the impact of the escalation of US tariffs and retaliation from China and the region. The production and usage of induction furnace steel in the region, the region's readiness to adhere to the EU's CBAM and tighter scrap supply are among the issues which need to be addressed by the regional steel industry. Vietnam led with the highest year-on-year demand growth of 17.5% to 24.9mt.

Vietnam's steel production is expected to grow by 8-10% this year versus 2024 to around 31mt, while domestic demand is projected to rise by 4.5% to 24.5-25mt, VSA chairman Nghiem Xuan Da told delegates at Kallanish Asia Steel Markets 2025 in Ho Chi Minh City on 10 April. "This growth is supported by a resilient domestic economy, increased infrastructure investment, and strong regional partnerships," he said.

Maybank Investment Bank is forecasting that the recovery of Vietnam's steelmakers will continue, according to its latest report in August. The research house says in a note that the recovery will be supported by the ongoing rebound in the domestic real estate market, the implementation of a 19-28% anti-dumping tariff on hot rolled coil (HRC) imports from China effective March 2025, and the government's infrastructure initiatives aimed at stimulating the economy.

Maybank also anticipates steel prices to strengthen in the second half of 2025, driven by China's supportive policies targeting infrastructure development and the real estate sector. "For FY25, we revise upward our forecast for sector earnings by 14.6% to 33.2%, mostly thanks to stronger sales and profit of Hoa Phat Group. We maintain our positive view on the sector in the second half," it noted.

Trade

Vietnam's iron and steel imports fell for a third consecutive month in July, as did exports, according to preliminary data released by Vietnam Customs.

July's iron and steel imports slipped 1.2% month-on-month to around 1.15mt, mainly due to lower intake by China. Shipments from China slipped 6.2% m-o-m to 710,036t in July, taking January-July imports from China down 20.1% on-year to 5.13mt. Year-to-date imports stood at 8.72mt, down 7.3% on-year. However, ferrous waste and scrap imports in July grew 2.8% m-o-m to 514,294t, bringing January-July imports to 3.5mt, up 26.2% on-year.

Meanwhile, Vietnamese iron and steel exports in July slumped 14.9% versus the earlier month to 792,576t. This decline is mainly attributed to decreased shipments to Italy and India, which fell 36.6% and 33.6% respectively. Exports to the US and Brazil however surged 52% to 75,119t and by more than 132-fold to 30,816t, respectively, in July.

Country Report: Vietnam

Iron and steel capacity

Here is a summary of Vietnam's steel industry capacity expansion plans announced in the first half of 2025.

Hoa Phat

Vietnam's Hoa Phat Group has broken ground of its Phase 1 project at Hoa Tam Industrial Park and the Bai Goc Port project in Hoa Xuan commune in August. The designed capacity of the project is 6m t/y, which will be built in two phases of 3m t/y each. Phase one is expected to start construction at the end of 2025.

Also in August, Hoa Phat Group commenced operations at the second basic oxygen furnace and RH vacuum refining furnace at its Dung Quat Phase 2 integrated steel complex in Quang Ngai province. The 300-tonne BOF is capable of producing 9,000 tonnes/day of high-purity liquid steel, while the RH furnace enables the production of steel grades meeting the most stringent global standards, according to Hoa Phat. The second phase of the Dung Quat steel plant includes the installation of two 2,500-cubic-meter blast furnaces, two 300t converters, and additional supporting infrastructure. This will add an additional 5.6m t/y of steel capacity, with two new blast furnaces each to contribute approximately 2.5-2.8m t/y of hot metal capacity.

In July, Hoa Phat received official approval to invest a railway rail and special steel manufacturing project in Dung Quat Economic Zone, Quang Ngai province. The project, led by Hoa Phat Dung Quat Rail and Special Steel JSC, will reach a designed capacity of 700,000 t/y and is slated to begin operations in Q3 2028.

Vietnam Italy Steel

Vietnam Italy Steel Joint Stock Company (VIS), a key northern Vietnam base of Japan's Kyoei Steel, has officially completed its new rolling mill at the Hai Phong plant. With the new facility operational, VIS's annual production capacity is now projected to reach 800,000 t/y, including 300,000 t/y from the Hung Yen plant and 500,000 t/y from the Hai Phong site.

Lao Cai Steel

Vietnam-China Minerals and Metallurgy Company (VTM) is setting its sights on an ambitious production target of 330,500t of billet in 2025, as the Lao Cai Iron and Steel Plant returns to full operations. To meet this year's production goal, VTM has restructured its operations and restarted production on 26 April, ensuring a daily output of around 1,200t of billet.

Ton Dong A

One of Vietnam's leading coated steel producers, Ton Dong A, has placed a new order with Italian technology provider Danieli for the supply of a twin-stand, reversing cold-rolling mill. The new facility, designed to process 400,000 t/y of low-carbon, hot-rolled strip, will be built at Ton Dong A's Phu My complex in southern Vietnam. Scheduled to come online by the end of 2026, the investment will boost the company's total CRC capacity to 1.2m t/y.

Nam Kim

Vietnam's Nam Kim Steel Joint Stock Company announced on 16 July 2025 that it has approved a second capital increase for its corrugated steel sheet plant project in Phu My plant. The new investment will be developed in two phases and is expected to be completed by 2027. Once operational, the facility will feature production lines for silicon electrical steel used for electric motors, transformers, and automotive components.

Xuan Thien

Vietnam's Xuan Thien Group in June officially broke ground on a landmark green steel complex in Nghia Hung district, Nam Dinh province. The project is planned to reach a capacity of 9.5m t/y. Construction is scheduled in phases, with the first batch of steel products expected to roll off the line by June 2028. Full project completion is targeted for June 2030.

Company performance

Hoa Phat

Vietnam's Hoa Phat Group has reported a strong financial performance for the first half of 2025, with after-tax profit reaching VND 7.6 trillion ($298 million), up 23% y-o-y, driven by robust steel sales and expanding production capacity. In H1, Hoa Phat's crude steel production climbed to 5.1mt, up 17% y-o-y, while total steel sales rose 23% to 5mt. Notably, HRC sales surged 42% compared to H1 2024. Looking ahead, the company is targeting VND 170 trillion in revenue and VND 15 trillion in after-tax profit for 2025. With the current performance, it has achieved 44% of its annual revenue goal and 51% of its profit target.

Hoa Sen

Vietnamese flat steel producer Hoa Sen Group delivered a strong financial performance in April-June, the third quarter of its 2024-2025 fiscal year, despite ongoing global trade tensions and tariff-related challenges. The company's estimated consolidated sales in the quarter reached 474,112 tonnes, with revenue totalling VND 9.5 trillion and after-tax profit hitting VND 274 billion. The US Department of Commerce's anti-dumping and countervailing duty investigations, which were launched in September 2024, led to a temporary halt in galvanized steel exports to the US. However, Hoa Sen says its operations remain unaffected.

Pomina

Pomina Steel slipped into negative equity for the first time in Q2 2025, with accumulated losses surpassing its charter capital, as the company reported its 13th consecutive quarterly loss in the second quarter. The steelmaker's Q2 earnings report shows a net loss of VND 170.3 billion. While the loss narrowed 39% from VND 280.2 billion a year earlier, accumulated losses have now climbed to VND 2.87 trillion. The company attributes its prolonged difficulties to the halted Phu My 1 blast furnace project, cost overruns, and pandemic-related delays, compounded by weak domestic steel demand and high raw material prices in recent years. Pomina has been unable to restore operations since September 2022 due to liquidity shortages and limited access to credit.

Vicasa Steel

For the first half of 2025, Vietnamese long steel producer Vicasa Steel achieved net revenue of VND 885 billion, up 40% compared to the same period in 2024. However, due to rising administrative and operating costs, profit before tax rose only 14% to VND 2.6 billion, and net profit reached VND 2 billion, a modest 9.1% increase. By the end of June, the company had fulfilled 54% of its annual revenue target and 51% of its profit target, a positive result given the challenges faced in H1. However, Vicasa halted all billet casting and rebar rolling operations following an administrative penalty issued in May by the Dong Nai provincial government. While sales and inventory deliveries are still ongoing, the suspension of core production has significantly impacted operations. The company has acknowledged that the shutdown puts its ambitious 2025 business plan at serious risk.

Industry

Vietnam's steel industry is facing pressure to cut carbon emissions as the country tightens its climate policies with a new decree – No. 119/2025/NĐ-CP – effective 1 August. The new regulation amends the existing one to strengthen greenhouse gas (GHG) monitoring, inventory, and emissions trading, directly impacting high-emission sectors like steel.

Under the updated decree, Vietnam will phase in emissions caps for major industries, starting with steel, thermal power, and cement. From 2025-2026, about 100 large facilities, representing roughly 40% of industrial emissions, will be subject to quotas. Ministries will propose annual allocations, with final approval from the prime minister. More facilities will be added between 2027 and 2030, as emission limits tighten.

The steel sector contributes approximately 7-9% of national GHG emissions and nearly half of industrial process emissions, according to Vietnam Steel Association (VSA) data. Leading producers like Hoa Phat and Formosa emit around 21 million tonnes of CO_2 per 10mt of steel production, largely due to their reliance on basic oxygen furnace technology fuelled by coking coal.

According to a survey by the Ministry of Industry and Trade, BOF production made up 77% of sectoral emissions in 2018 and is projected to reach 92% by 2025. Even electric arc furnace production, which is typically cleaner with fewer emissions than BOFs, emits more CO_2 in Vietnam than global averages due to the use of coal-based electricity.

A domestic carbon market is also being developed in Vietnam, with pilot trading planned through 2028 and full operation by 2029, according to the official document. The system will allow steel producers to trade emissions allowances and purchase carbon credits to offset excess output. A national registry will track ownership and transactions, and procedures for credit recognition will be digitised for efficiency.

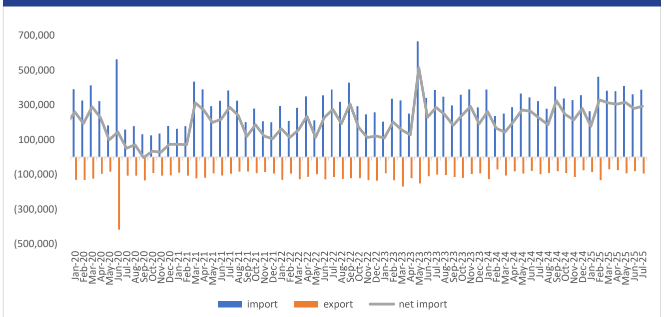
To reduce emissions, steelmakers are being encouraged to switch to renewable electricity, adopt energy-efficient technologies, and invest in cleaner processes. Emission cuts of 13.5% to 70% are possible depending on the technological pathway, according to Vietnam's Ministry of Industry and Trade.

The ministry is piloting carbon pricing tools in collaboration with international partners, aiming to tailor strategies for Vietnam's steel sector. These include credit trading schemes that could lower compliance costs and attract green investment.

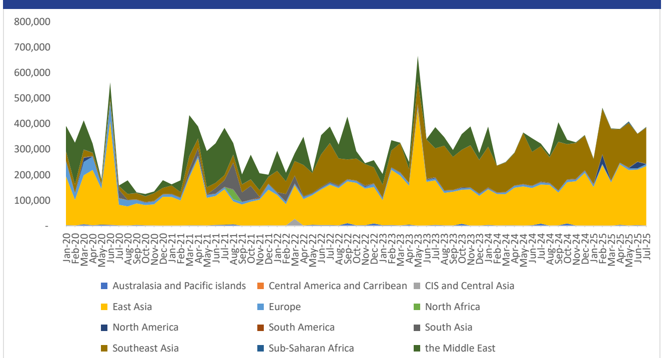
Trade: Singapore

In July, Singapore's steel imports rebounded, rising 7% m-o-m and 20% y-o-y to 388,038t, driven by a sharp 34% increase in longs and semis, which offset declines in flats and pipes. From January to July, total steel imports surged 21% to 2.64mt, with semis imports stabilising at around 20,000t each month from March, reversing a multi-year trend of minimal activity in this segment after local steelmaking capacity, but not rolling capacity, was idled. Regionally, imports from key East Asian suppliers jumped 48% in the first seven months to 1.46mt, while shipments from North America also surged, supporting the overall upward trend.

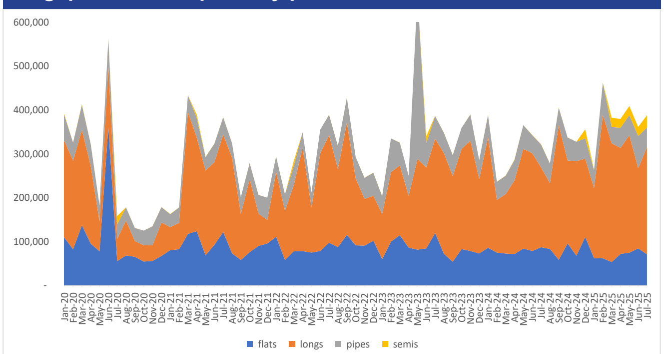
Singapore net steel trade



Singapore steel imports by origin

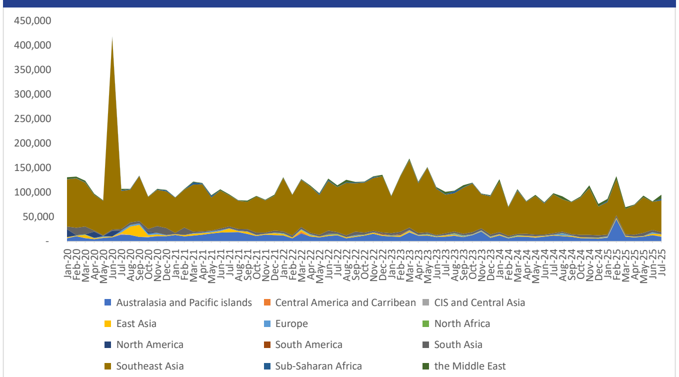


Singapore steel imports by product

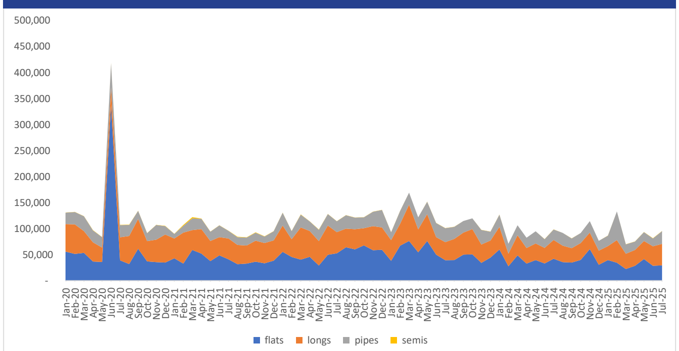


Singapore's steel exports showed signs of recovery in July, rising 17% m-o-m, though volumes remained 3% lower y-o-y at 95,287t. This narrowed the country's export decline in the January-July period to 4%, with total shipments at 635,050t. While exports of longs and pipes recorded modest growth, flat products, Singapore's main export category, dropped 21%, weighing on overall performance. By destination, exports to Southeast Asia, the country's largest market, fell 17% in the first seven months to 445,048t. In contrast, shipments to Australasia and the Pacific Islands, Singapore's second-largest export market, surged 52% to 103,369t over the same period.

Singapore steel exports by destination



Singapore steel exports by product

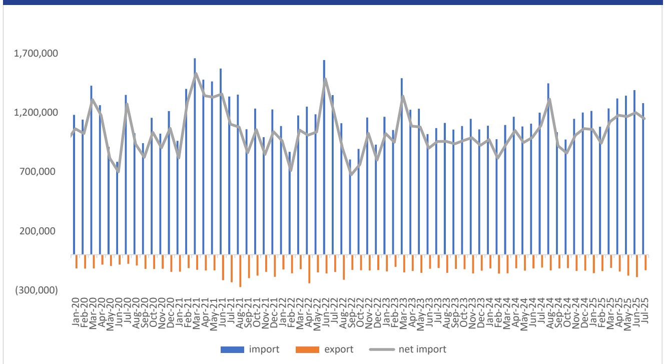


Source: Kallanish, GTT

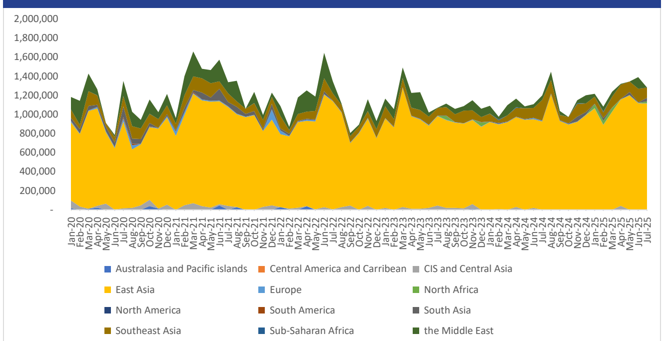
Trade: Thailand

Thailand's steel imports retreated in July after four consecutive months of growth, slipping 8% to 1.28mt. Despite the monthly pullback, total imports in January-July remained robust, rising 15% y-o-y to 8.86mt. With the exception of pipes, which edged down 1%, all major product categories recorded growth of 7-55%, led by a sharp 55% surge in semis. East Asia continued to dominate Thailand's supply mix, accounting for over 85% of imports and posting a 16% y-o-y increase during the seven-month period. By contrast, shipments from the Middle East nearly halved, although some of the shortfall was offset by higher volumes from South Asia.

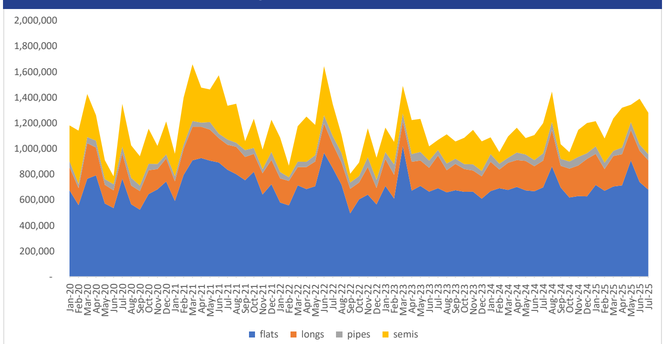
Thailand net steel trade



Thailand steel imports by origin

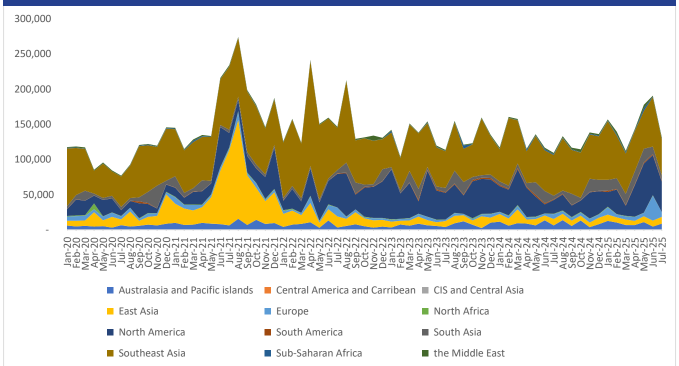


Thailand steel imports by product

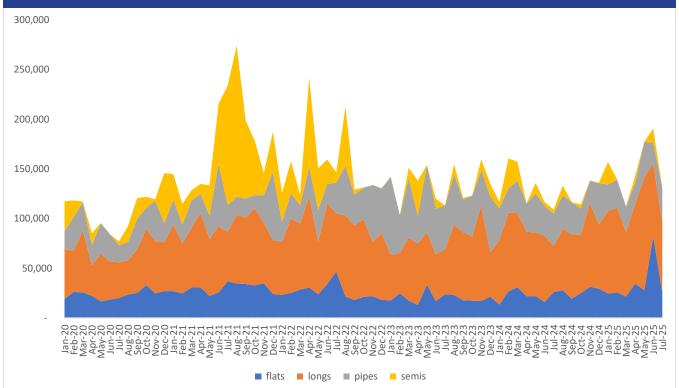


Thailand's steel exports remain minimal compared with imports, but trends diverged in July. Exports fell 31% m-o-m, yet total shipments in January-July rose 15% y-o-y to 1.05mt, supported by higher longs and flats exports. Tariff measures and weak regional demand drove sharp July declines to North America and Southeast Asia, down 24% and 27% respectively. However, over the seven-month period, exports to these two key destinations still posted growth of 26% and 1%, highlighting Thailand's ability to maintain momentum in core markets despite near-term headwinds.

Thailand steel exports by destination



Thailand steel exports by product



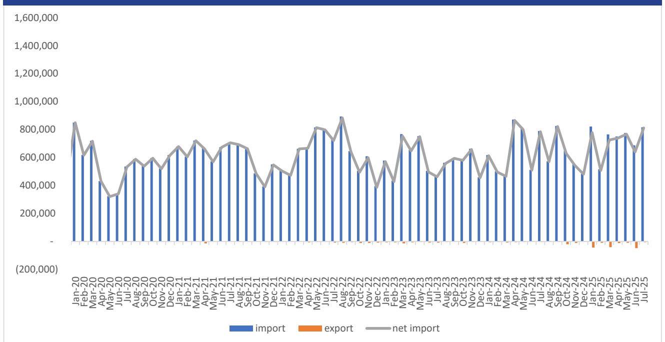
Source: Kallanish, GTT

South East Asia Report

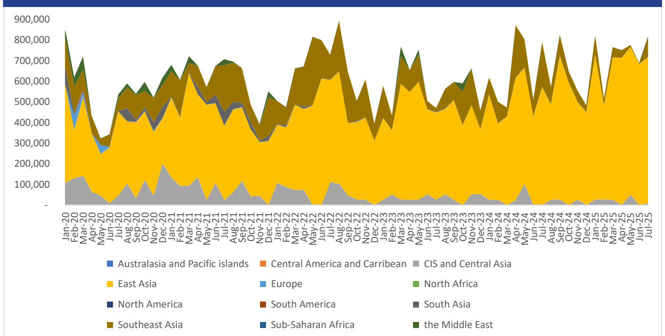
Trade: Philippines

The Philippines' steel imports hit a six-month high in July, rising 19% m-o-m to 816,520t. Despite a 13% dip in longs, imports of flats, pipes, and semis grew 16-49%, driving overall gains. In January-July, total imports climbed 12% y-o-y to 5.13mt, supported mainly by stronger demand for flats and semis. East Asia supplied 91% of volumes, up 35% y-o-y, underscoring its dominant role in the trade mix. However, reduced shipments from Southeast Asia and from CIS and Central Asia weighed on the pace of growth, reflecting shifting sourcing dynamics in the Philippine import market.

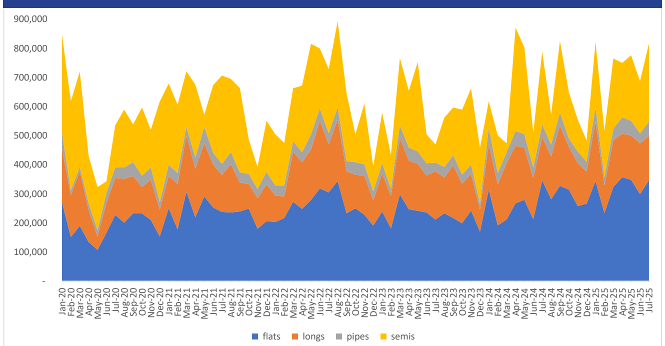
Philippine net steel trade



Philippines steel imports by origin



Philippines steel imports by product

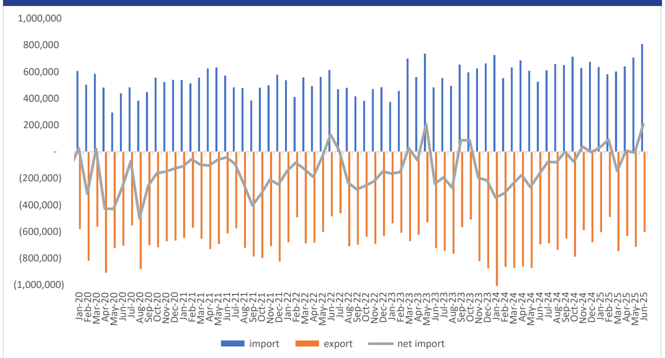


Source: Kallanish, GTT

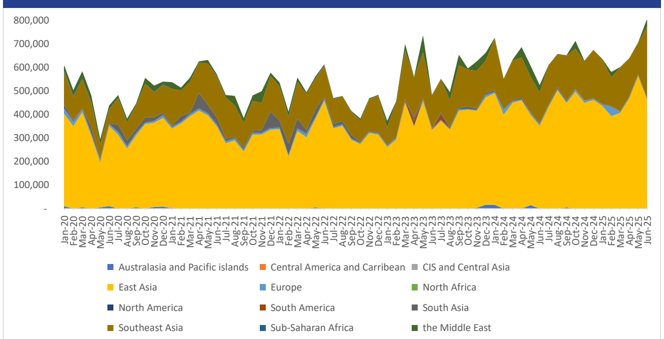
Trade: Malaysia

Malaysia's steel imports surged to a seven-year monthly high in June, climbing 54% y-o-y and 14% m-o-m to 807,302t. This lifted total imports in the first half of 2025 to 3.97mt, up 7% y-o-y. East Asia and Southeast Asia remained the dominant suppliers, with shipments rising 8% and 13% respectively to 2.73mt and 1.09mt over the six-month period. The strong mid-year performance reflects resilient domestic demand and reinforced regional supply ties within the ASEAN market.

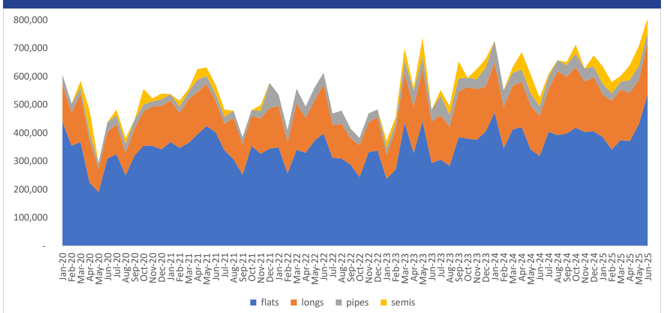
Net malaysian steel trade



Malaysian steel imports by origin

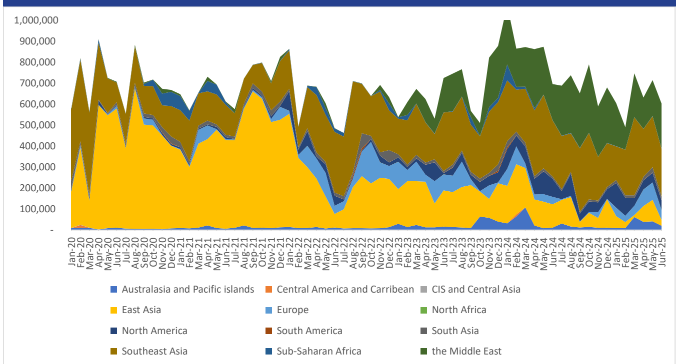


Malaysian steel imports by product

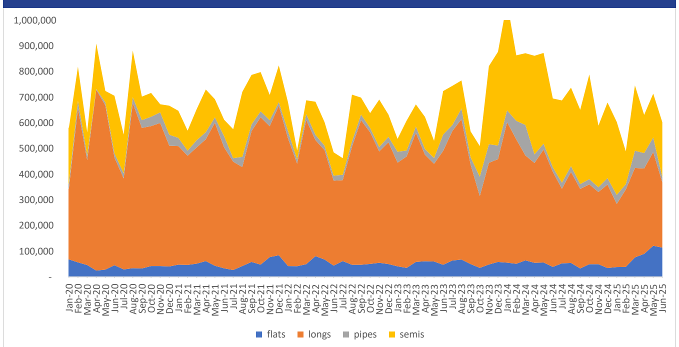


Malaysia's steel exports fell 16% in June, pulling total shipments in January-June down 28% y-o-y to 3.78mt. Flats were the only bright spot, with exports rising 49% to 478,001t, while other steel categories saw declines of 17-39% in the first half. The drop was driven by weaker demand in key destinations, with exports to Southeast Asia and the Middle East falling 14% and 21% y-o-y respectively. In contrast, exports to Europe rose 15% y-o-y to 324,803t, highlighting some diversification opportunities though overall trends reflect persistent headwinds for Malaysia's steel exports in its core regional markets.

Malaysian steel exports by destination



Malaysian steel exports by product

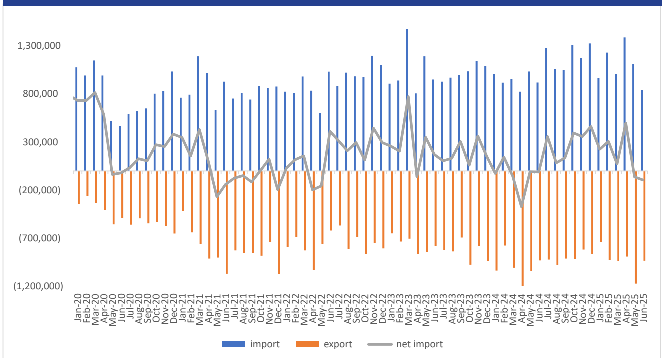


Source: Kallanish, GTT

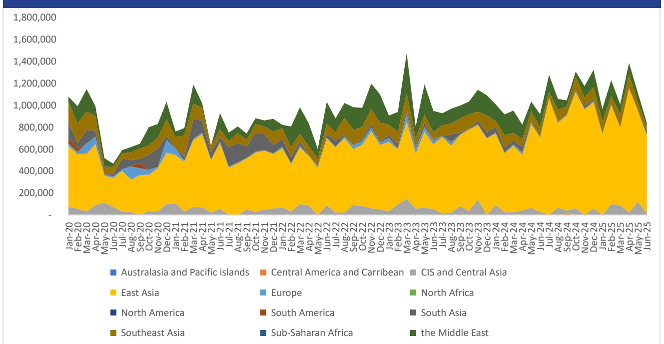
Trade: Indonesia

Indonesia's steel imports dropped to a 14-month low in June, down 9% y-o-y and 24% m-o-m to 838,792t. However, strong inflows earlier in the year lifted total imports in January-June by 16% to 6.53mt. All product categories posted growth of 9-27% over the six months, underpinned by steady domestic demand. East Asia remained the dominant supplier, accounting for 77% of volumes and rising 34% y-o-y, which more than offset a 35% decline in shipments from the Middle East.

Indonesian net steel trade

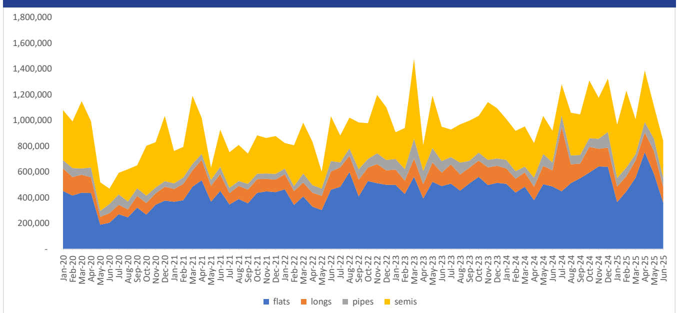


Indonesia steel imports by origin

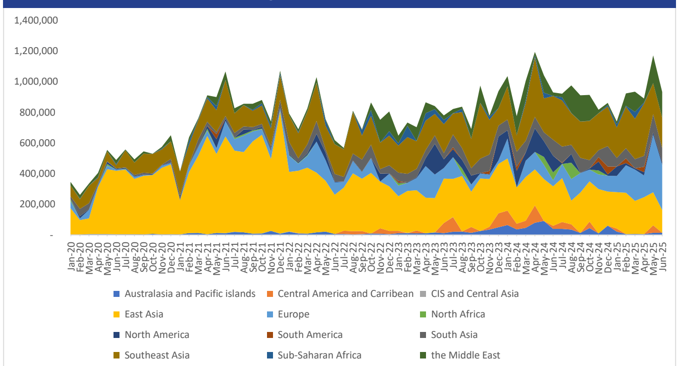


Indonesia, typically a net steel importer, shifted to net exporter in May-June as export declines were smaller than for imports. Exports fell 20% m-o-m in June but held steady y-o-y, bringing January-June volumes to 5.59mt, down just 7% y-o-y. Strong gains were recorded in exports to Europe and the Middle East, which surged 170% and 28% respectively. However, weaker shipments to East Asia, Australasia and the Pacific Islands, Central America and the Caribbean, and North America weighed on overall performance.

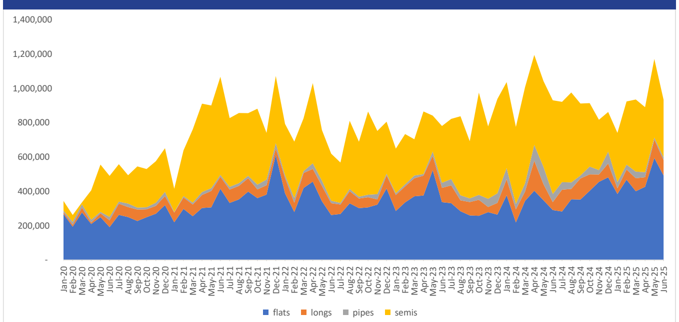
Indonesia steel imports by product



Indonesia steel exports by destination



Indonesia steel imports by product



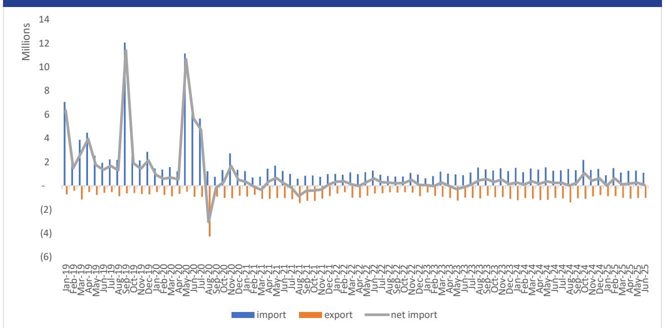
Source: Kallanish, GTT

South East Asia Report

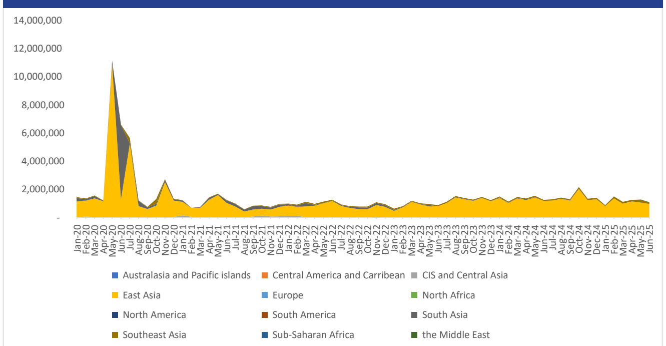
Trade: Vietnam

Vietnam's steel imports fell again in June to the second-lowest level of this year, down 14% y-o-y to 1.08mt. Total imports in January-June dropped 14% to 7.11mt, driven entirely by a 21% fall in flats to 5.69mt. Multiple trade investigations launched against flat products in H1 curbed low-priced inflows, further tightening domestic supply. Most of the losses came from East Asia, Vietnam's primary supplier, where shipments fell 17% to 6.31mt. The trend highlights the impact of trade measures on reshaping import flows, with flats facing persistent supply reduction alongside weaker overall demand in the Vietnamese market.

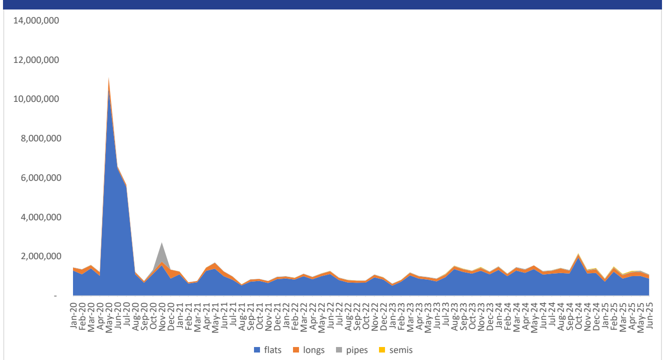
Vietnam net steel trade



Vietnam steel imports by origin

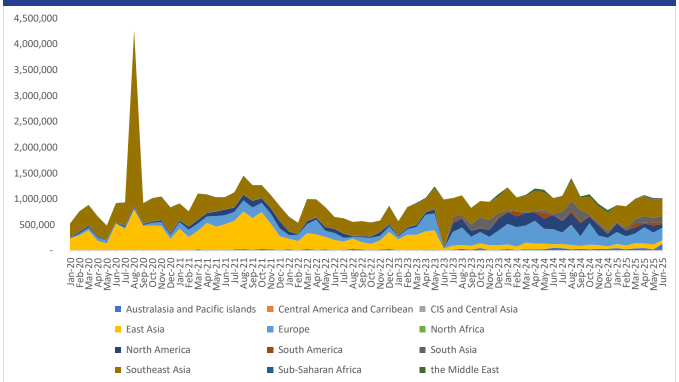


Vietnam steel imports by product

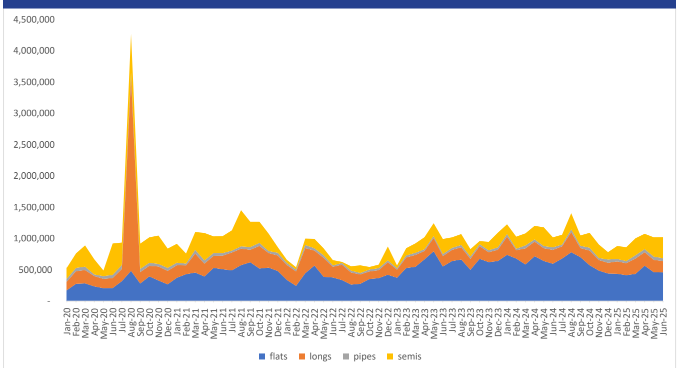


Vietnam's steel exports held steady in June at 1.01mt, flat y-o-y and m-o-m, but January-June volumes fell 13% to 5.85mt. Flats and longs exports dropped 30% and 8% y-o-y respectively, partly offset by gains in semis and pipes. Amid escalating global trade frictions in H1, Vietnam expanded shipments to Southeast Asia, its core market, to support volumes. However, steep declines in exports to Europe and North America, down 35% and 49% y-o-y, weighed heavily on overall performance amid rising global trade barriers.

Vietnam steel exports by destination



Vietnam steel exports by product



Source: Kallanish, GTT

About Kallanish

Kallanish is an independent business media organisation, that provides news, reports, data, events, conferences, webinars, and market intelligence, to steel and power material sector professionals. To find more information about Kallanish products and services please get in touch on the details below.

Contact Kallanish

If you found this issue of Kallanish South East Asia Steel Markets Report interesting please let us know, we would love to hear from you.

Kallanish UK
Britannia House
t: +44 20 3885 7100

Kallanish Germany
t: +49 304280 2034

Kallanish China
Shanghai, China
t: +86 15021416087

Kallanish Bulgaria
t: +44 203 885 7285

Kallanish Singapore
t: +65 9766-8157

Kallanish USA
t: +1 412 569 8133

General Enquires:
www.kallanish.com
info@kallanish.com

Social Media: