

US steel executive believes EAFs will find enough ferrous scrap

It is a fallacy that the world's steel industry will run out of ferrous scrap feedstocks in the transition to electric arc furnaces, according to the top executive at Steel Dynamics.

Speaking at the Global Steel Dynamics Forum in New York on 27 June, Steel Dynamics chairman and ceo Mark Millett agreed that scrap will be in great demand. Pricing likely will be an issue in various regions.

"I'm a strong believer that there isn't going to be a shortage," Millett said. "There's no doubt there will be tightness. The tightness will drive the price up. There's no doubt about that."

Aside from its EAF steelmaking, Steel Dynamics is an operator of scrap businesses after acquiring two Mexican firms, Roca Acero and Zimmer SA, since 2020.

Market participants who argue that there will not be enough scrap for EAFs to proliferate to the predicted extent do not appreciate the progress made in purifying the scrap that is available, Millett added.

Much of the ferrous scrap destined to enter the market in the near term is from the retirement of autos built ten to 12 years ago. Millett said that material remains relatively low-residual. Over time, the "shiny" prime scrap will be less available, but recyclers are better able to remove nonferrous metals and other substances from the scrap that will be procurable.

"We have new separation technologies that can do a better job of taking out the contaminants, so to speak," Millett observed.

In his own operations, Millett is enjoying the benefits of producing pig iron on-site at Steel Dynamics' Indiana flat-roll operations. The Iron Dynamics venture is improving steel production and saving money.

"We pour liquid pig iron into the electric arc furnace," Millett noted. "We very likely will get self-sufficient in pig iron over the next two, three, four years ... It will be 'green' pig iron production."

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Global Overview

Americas:

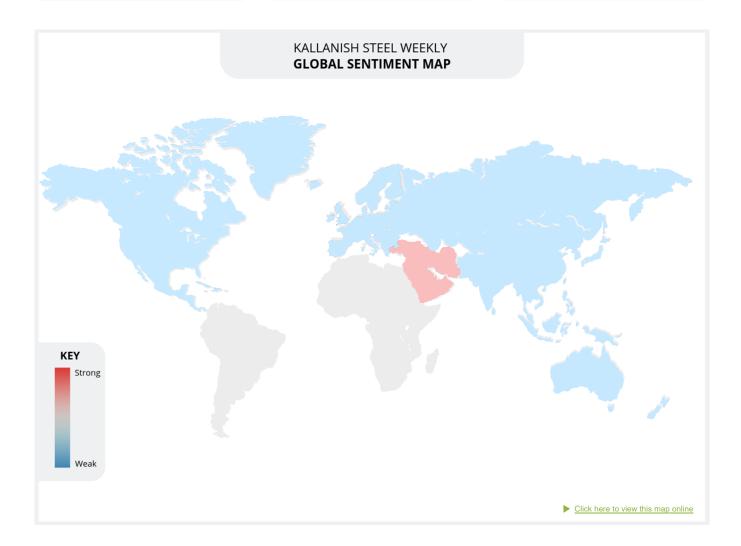
- US sheet prices slow to recover US rebar prices stable Brazilian pig iron expected to remain flat in early July

Europe:

- ArcelorMittal ordered to stop Fos-
- sur-Mer steelmaking
 German scrap prices look down
 European mills try to lift rebar

Asia:

- Chinese rebar prices down
- Coking coal prices stable Chinese HRC export prices seen bottoming



India:

- Indian HRC quotes stable despite limited offtake
- Indian scrap offers drop further
- Pakistan, Bangladesh scrap intake decreased amid the Eid holidays

CIS:

Russian billet exports subdued amid Eid

Middle East:

- Turkey books US scrap amid Eid holiday
- Turkish wire rod imports surge
- Saudi rebar market expects July demand increase

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Oxidising Atmosphere

An oxidising atmosphere contains sufficient oxygen to combine, or oxidise, with certain other elements if they are present. An oxidising atmosphere is key to the success of the basic oxygen steelmaking process for converting liquid pig iron into steel. Oxygen is blown through the molten iron in the BOF vessel, where it combines with and removes unwanted carbon as carbon monoxide and carbon dioxide.



□ Contact

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