

 This week:

Semiconductors shortage continues to affect auto sector this year

Japanese carmaker Toyota says two of its plants in Japan will be temporarily closed in March due to semiconductor shortages.

In February, downtime has affected eight of the firm's enterprises and the shortage of cars has intensified, meaning the volume of unreleased cars is in the hundreds of thousands.

In March, production of cars will be suspended at Toyota Motor Kyushu and Toyota Motor East Japan.

The company will thus produce 950,000 cars next month, which is 100,000 units less than planned. In February, planned output had to be reduced by 150,000 vehicles.

A significant reduction in Toyota's production began last year. The total volume of unreleased vehicles will reach 500,000 units by the end of next month.

"With regards to the shortage of semiconductor related parts, we will continue to examine the situation and consult with all companies involved in considering the use of substitutes where possible in anticipation of a continuing shortage," Toyota says.

Earlier this month, the EU announced a €43 billion (\$49 billion) plan to become a major chip producer, to ease dependency on Asian component manufacturer.

Volkswagen Group expects the short-term supply of semiconductors to the automotive industry to continue to be very volatile and strained in first half of 2022. The carmaker says there will probably only be a real upward trend in 2023.

In 2021, global production of 9.5 million vehicles was delayed due to a lack of chips, the European Association of Automotive Suppliers (CLEPA) said. Although this year could show a modest recovery in global light vehicle production, supplier and market estimates still forecast, on average, production losses of 4-6m vehicles, CLEPA added.

NORTH AMERICA

The Center for Automotive Research (CAR) is predicting that a recovery in North American motor vehicle production is unlikely to happen until at least next year.

Vehicle production and sales have languished - largely due to the semiconductor shortage, which has been plaguing the global industry since mid-2021, says Bernard Swiecki, director of research for CAR. By the time the global semiconductor shortage is over, there will be a global loss of 7.7 million units of vehicle production and \$210 billion in lost revenues, according to an analysis from Alix Partners.

Swiecki says that there should be a reasonable supply of semiconductor chips by next year, which will then allow for automobile production to pick back up and swing back to healthy volumes.

Light vehicle sales in the US were 15m units in 2021, and Swiecki says the current prediction of 15.3m units this year is an optimistic estimate. He predicts a rebound to the all-time sales record of 17.5m units set in 2016 is feasible by 2025.

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KORE INDEX

Index	58%	62%	65%
W-o-w % Change	-1.71%	-4.50%	-3.82%
18 Feb	118.74	137.70	166.74
17 Feb	120.19	138.49	167.67
16 Feb	122.47	142.16	171.14
15 Feb	123.19	140.57	169.72
14 Feb	124.89	147.57	176.32
Average	121.89	141.29	170.32
11 Feb	124.87	148.45	177.61
10 Feb	124.43	150.67	179.81
09 Feb	123.67	145.57	174.19
08 Feb	123.79	147.77	176.98
07 Feb	123.36	147.33	176.75
Average	124.02	147.96	177.07

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Global Overview

Americas:

- HRC prices in the US keep falling
- US rebar prices hold
- Brazilian miners resume activities fully

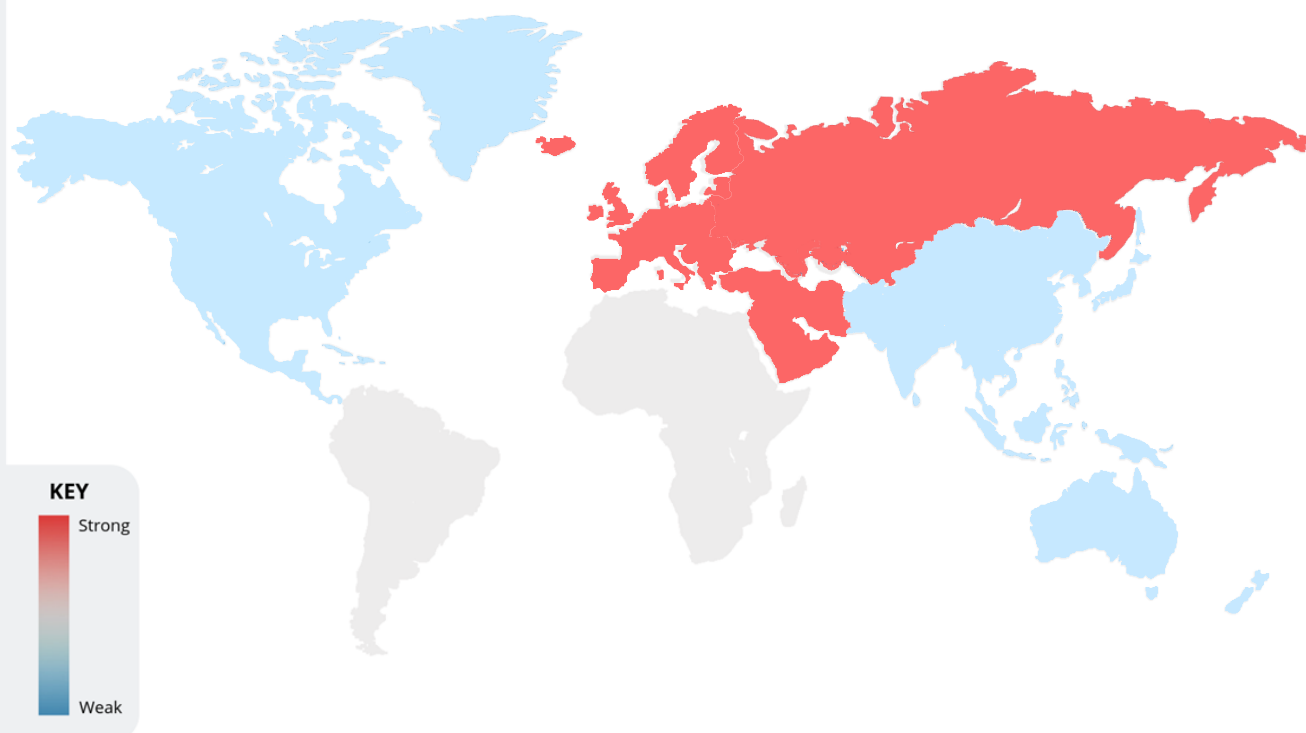
Europe:

- ArcelorMittal raises longs offers
- Liberty restarts line in Belgium
- EU scrap levels up

Asia:

- Chinese iron ore prices down slightly
- Chinese steel enters seasonal recovery mode
- Japanese scrap prices up

KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



► [Click here to view this map online](#)

India:

- India withdraws HRC offers for March
- Imported scrap bookings plunge further
- Pakistan curbs imported scrap bookings

CIS:

- CIS billet trade reduces as Egypt buying becalms
- Ukraine-Turkey FTA seen having limited steel impact

Middle East:

- Turkish scrap imports fall silent
- Turkish rebar export demand dissipates
- Turkish HRC peaks, for now

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 Word of the week

Wide Flange Beams

These heavy duty structural sections are often referred to as H-beams and I-beams (because of their cross-sectional appearance). They are mainly used in the frames of industrial and hi-rise structures, are internationally traded and are a stockholder item in standard lengths. Dimensions are in metric, except in the USA where they are sold as "W" shapes in inches.




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