



Kallanish

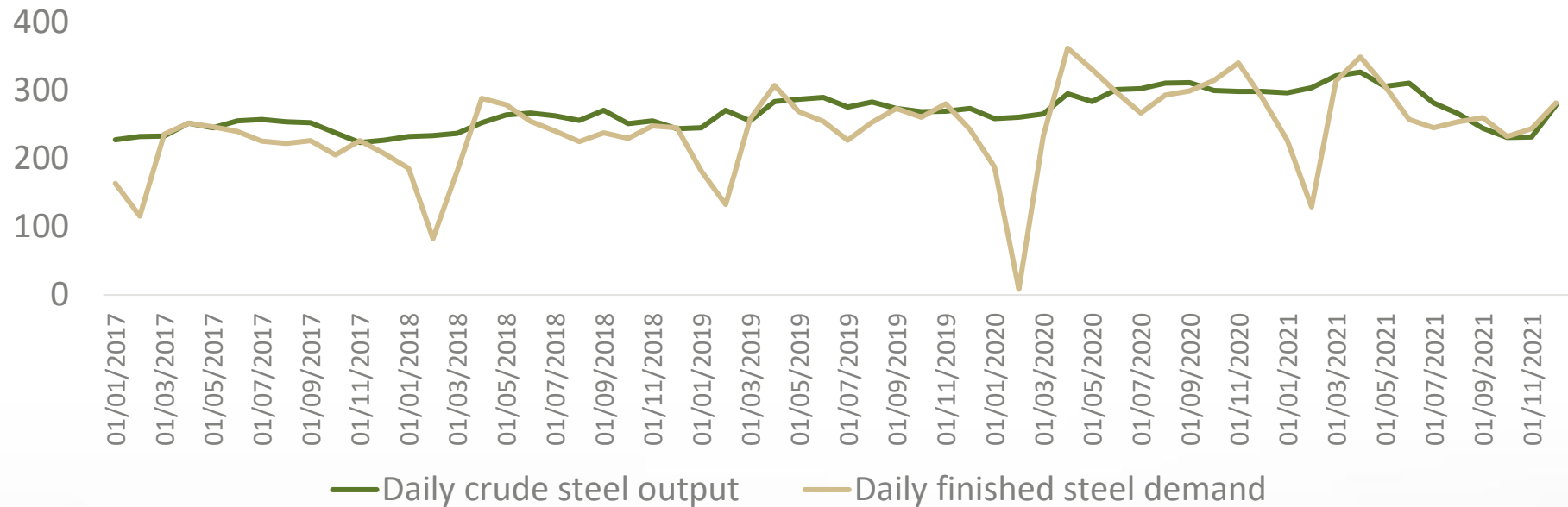
# Steel Market Insights Webinar - Asia



# Kallanish

China in 2022  
Tomas Gutierrez – Asia Editor

## Chinese steel output and demand turn down in 2021



- Output picked up in December but remains down on-year. Strict production controls and power supply issues have masked a severe slump in steel demand in H2.

Source: NBS, Kallanish

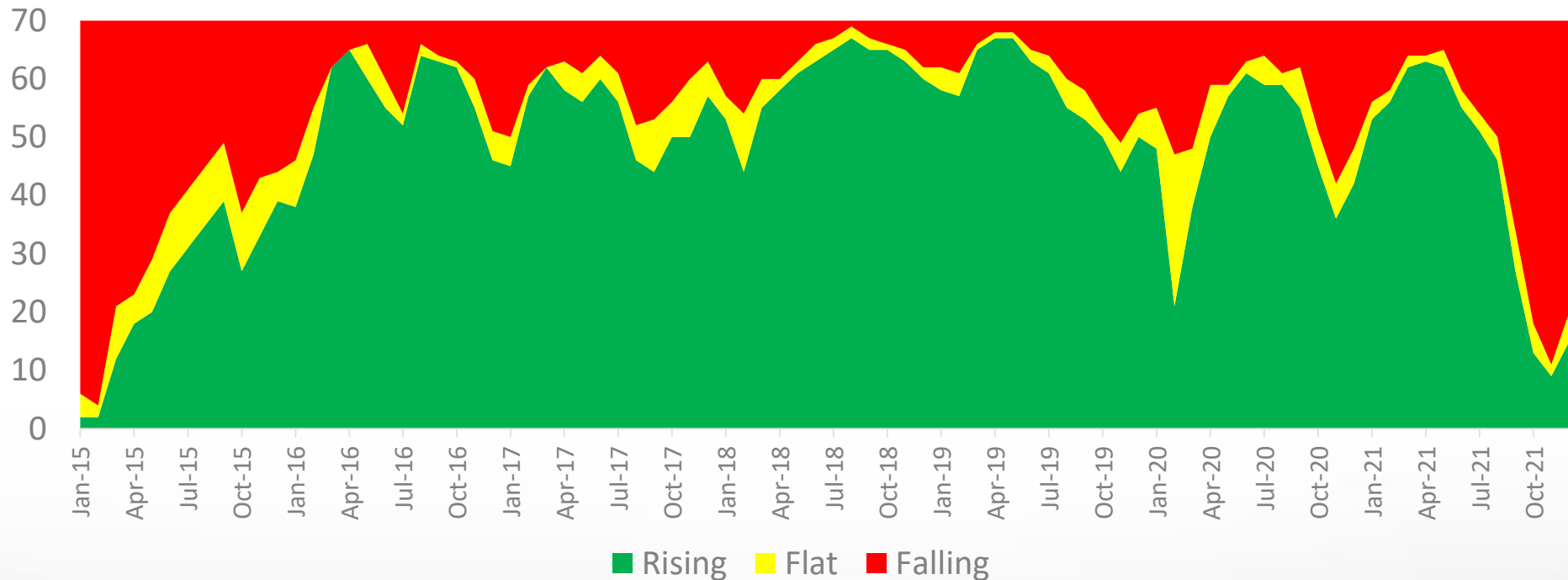
## Raw materials prices remain strong



- Raw materials prices have started the year strongly on increasing steel output

Source: Kallanish

## Chinese real estate: worst crisis since 2015



- Real estate companies remain under pressure, with growing defaults
- China allowed more money to flow into mortgages in December, but still wants to restructure the economy away from real estate

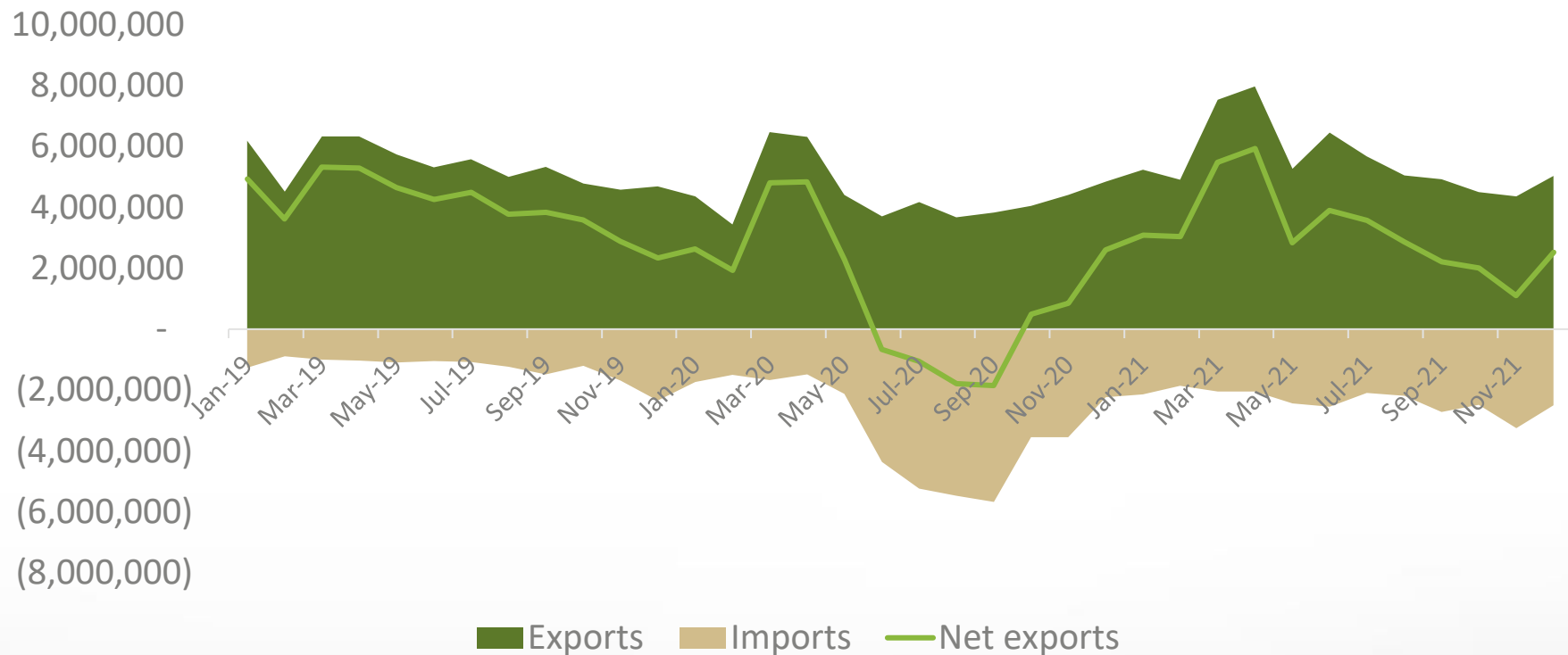
## Covid raises new risks



- Omicron has now taken root in China and Covid cases are likely to continue ticking higher. The government's response could be key to steel demand in late Q1 and early Q2.

Source: WHO

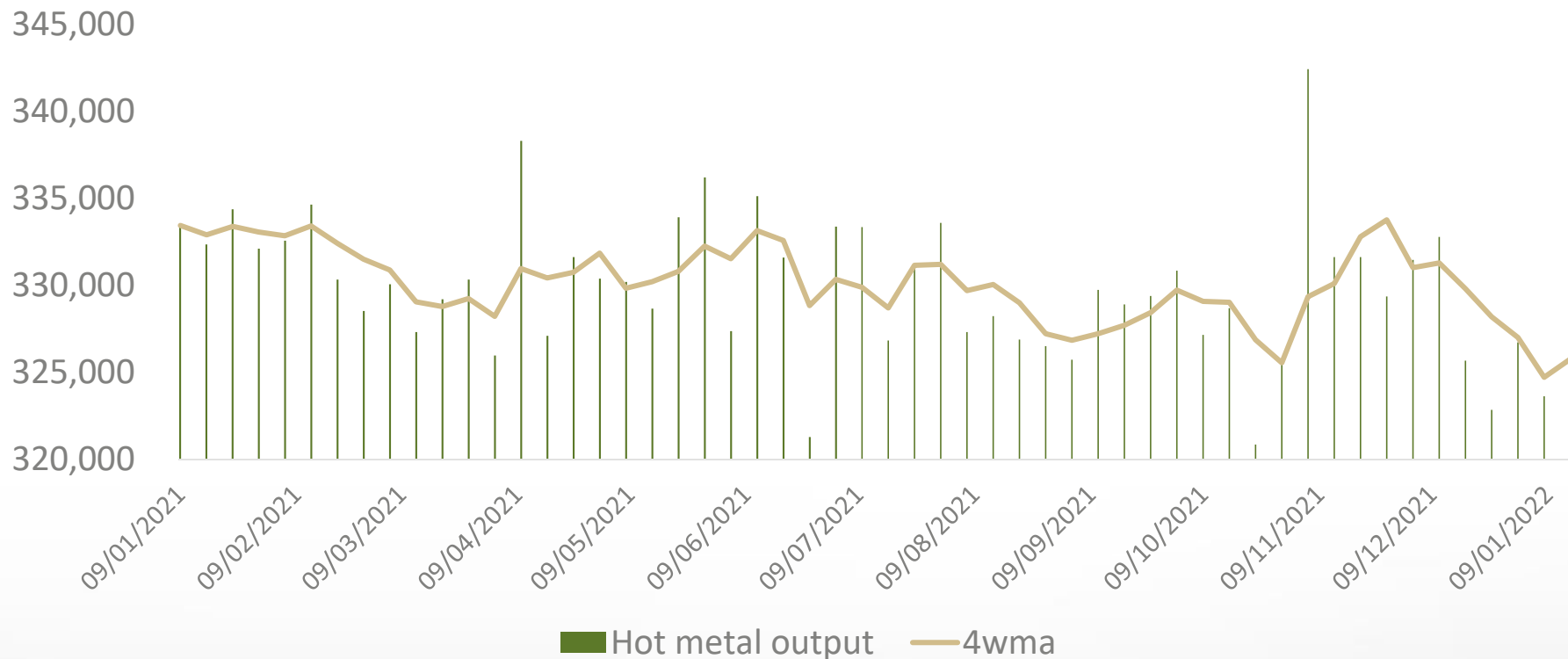
## Chinese steel exports have remained weak



- Slumping domestic demand has yet to lead to a spike in export volumes
- Could any recovery trigger export taxes?

Source: China General Administration of Customs, Kallanish

## Southeast Asian sentiment unsettled



- Blast furnace monitoring shows hot metal output dropped due to Covid in mid 2021, and has started the new year on a weak note

Source: Kallanish, TathyaEarth



Thank you...

# Kallanish Asia Steel Markets 2022

27-28 April 2022

Virtual Conference

Register  
Now



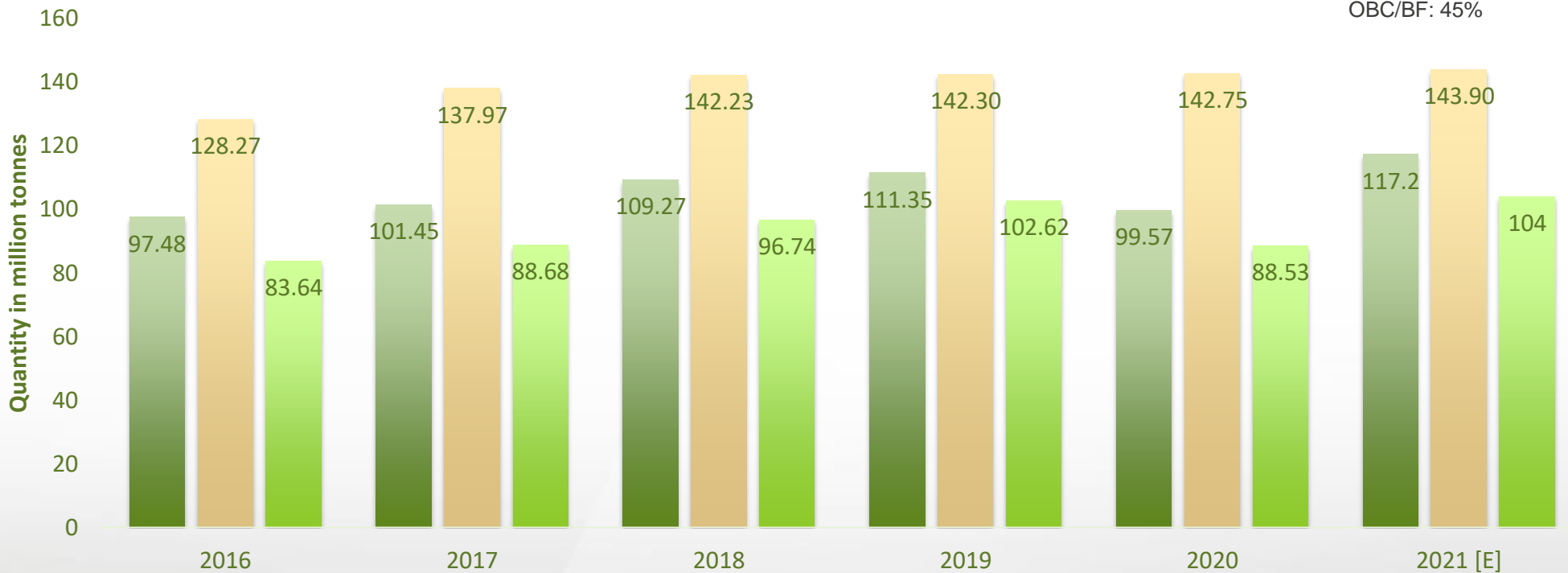
Kallanish

# Indian Steel Industry: Sayed Aameer

# Indian steel industry: Brief introduction

## Indian crude steel production vs capacity, and consumption

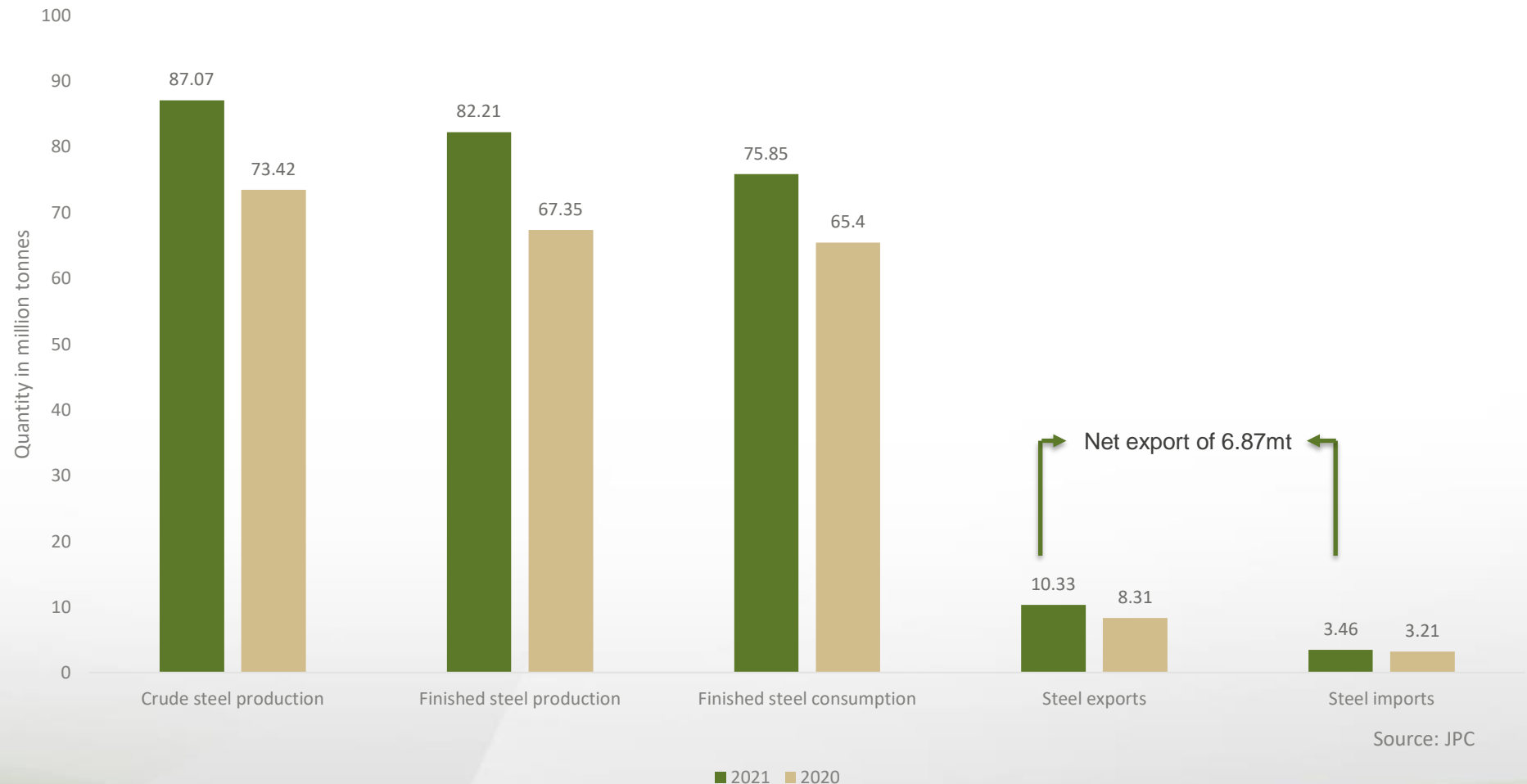
EAF: 55%  
OBC/BF: 45%



Source: JPC, WSA, Care

■ Crude steel production   ■ Crude steel capacity   ■ Steel consumption

## Indian steel industry performance in April-December



## Indian steel industry performance forecast in 2022

- Estimated crude steel production in 2022: 124-125mt.
  - Capacity expansion by 7-8mt in 2022.
  - Government's instruction on increasing capacity utilisation by mills.
  - Coking coal supply ease on Ind-Rus agreement and Mongolia talks.
  - Increased ferrous scrap supply from dedicated scrappage and vehicle demolition facilities
- Finished steel demand in 2022: 111mt.
  - Revival in the infrastructural, automotive, consumer durables, and appliances segments
  - Domestically Manufactured Iron & Steel Products (DMI&SP) Policy for procurement of India made steel.
  - Government's push on enhancing steel usage and demand in railways, defence, petroleum and natural gas, housing, civil aviation, road transport and highways, agriculture and rural development sectors.
  - India's gain on China's production and export curb.



Kallanish

## Tata recycling plant in Rohtak, Haryana



## Indian steel industry: Potential threats in 2022

- New omicron variant and possible lockdowns.
  - Logistical and operational constraint.
  - Impact on exports.
  - Impact on retail segment, infrastructure and construction segment.
  - Impact on domestic demand and capacity utilisation.
  - Delay in capacity expansion projects.
- Removal of anti-dumping duties on finished flat products.
  - Influx of imported steel might impact the domestic consumption and production.
- Coking coal price elevation.
- Semi-conductor shortage and its impact on automotive production.
- Ongoing downfall in finished and semi-finished steel prices and demand in the export market might impact the gross profit realisations.



## Capacity expansions in India

- JSW Vijaynagar works expansion by 5m t/y through the fiscal year ending 31 March 2024 (FY24).
  - 1m t/y capacity increase by upgrading the current facility to achieve 13m t/y capacity in 2022.
- Tata's Kalinganagar plant capacity expansion by 3m t/y to 8m t/y.
- JSPL's expansion from the existing 8.6m t/y to 15.9m t/y in FY24.
- AM/NS India capacity expansion from 9m t/y to 14m t/y and then to 18m t/y in the medium term.
- SAIL's eyes 21.4m t/y production capacity in phase-1 and 50m t/y in phase-2.
  - Durgapur Steel Plant capacity from 2.5m t/y to 7.5m t/y and Rourkela Steel Plant capacity from 3.7m t/y to 8.8m t/y.
  - Bokaro Steel Plant's capacity will be raised to 9.5m t/y and IISCO's to 3m t/y in the first phase and subsequently to 7.3m t/y in the next phase.
  - Bhilai Steel Plant capacity will be raised to 12m t/y in the second phase from the current 7m t/y, and subsequently to 14m t/y by FY30.

JSW Vijaynagar works



JSW Dolvi works



JSW Salem works



Thank you...

# Kallanish Asia Steel Markets 2022

27-28 April 2022

Virtual Conference

Register  
Now



# CHINA STEEL INTELLIGENCE

Monthly report



Kallanish

ALL ORDERS INCLUDE PDF  
REPORT AND EXCEL DATA FILE



REPORT DETAILS:  
FREQUENCY - MONTHLY PAGES: 22+

**MORE INFO**







Kallanish

# South East Asia Steel Markets Report

MARKETS REPORT  
PRODUCTION REPORT  
COUNTRY TRADE DATA

✉ [SALES@KALLANISH.COM](mailto:SALES@KALLANISH.COM)

# Contact us:

## UNITED KINGDOM:

Chris Merrett

Tel: +44 (0) 208 735 6520

[chris.merrett@kallanish.com](mailto:chris.merrett@kallanish.com)

## GERMANY:

Susann Haesselbarth

Tel: +49 304280 2034

[susann.haesselbarth@kallanish.com](mailto:susann.haesselbarth@kallanish.com)

## SPAIN:

Iban Redondo

Tel: +34 910 062 451

[iban.redondo@kallanish.com](mailto:iban.redondo@kallanish.com)

## BULGARIA:

Milcho Milchev

Tel: +359 89 6266305

[milcho.milchev@kallanish.com](mailto:milcho.milchev@kallanish.com)

## SINGAPORE:

Linda Fang

Tel: +65 9766 8157

[linda.fang@kallanish.com](mailto:linda.fang@kallanish.com)

## CHINA:

Yilin Zou

Tel: +86 150 2141 6087

[yilin.zou@kallanish.com](mailto:yilin.zou@kallanish.com)

## AMERICA:

Cayleigh Reid

Tel: +1 412-626-7487

[cayleigh.reid@kallanish.com](mailto:cayleigh.reid@kallanish.com)