



Worldwide Steel Consumption (Apparent Demand)

In this section we explore global steel apparent demand trends. In Figure 20 we show a summary of global steel consumption (apparent demand) by region.

Figure 20: Global Steel Consumption (Apparent Demand) by Region (000's of metric tonnes)

| Global Steel Consumption (000's) | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | % Global |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------|
| China | 435,860 | 465,480 | 574,420 | 612,060 | 667,930 | 687,610 | 765,750 | 740,380 | 700,350 | 709,400 | 44% |
| % Δ YoY | 10.8% | 6.8% | 23.4% | 6.6% | 8.1% | 2.9% | 11.4% | -2.3% | -5.4% | 1.3% | |
| Japan | 85,900 | 83,200 | 56,000 | 67,400 | 69,600 | 68,800 | 70,800 | 72,900 | 67,800 | 67,500 | 4% |
| % Δ YoY | 3.1% | -3.1% | -32.7% | 20.4% | 3.3% | -1.1% | 2.9% | 3.0% | -7.0% | -0.4% | |
| India | 55,491 | 56,209 | 64,360 | 69,082 | 73,154 | 77,436 | 80,656 | 86,404 | 89,419 | 91,681 | 6% |
| % Δ YoY | 13.0% | 1.3% | 14.5% | 7.3% | 5.9% | 5.9% | 4.2% | 7.1% | 3.5% | 2.5% | |
| South Korea | 57,404 | 61,011 | 47,303 | 54,573 | 58,741 | 56,322 | 53,919 | 57,834 | 58,125 | 59,454 | 4% |
| % Δ YoY | 9.9% | 6.3% | -22.5% | 15.4% | 7.6% | -4.1% | -4.3% | 7.3% | 0.5% | 2.3% | |
| Other Asia | 81,540 | 81,817 | 71,711 | 67,371 | 94,139 | 102,964 | 110,007 | 116,605 | 122,183 | 133,153 | 8% |
| % Δ YoY | 4.8% | 0.3% | -12.4% | -21.8% | 7.7% | 9.4% | 6.8% | 6.0% | 4.8% | 9.0% | |
| ASIA | 716,195 | 747,717 | 813,794 | 890,486 | 963,564 | 993,132 | 1,081,132 | 1,074,123 | 1,037,877 | 1,061,188 | 65% |
| % Δ YoY | 8.2% | 4.4% | 8.8% | 9.4% | 8.2% | 3.1% | 8.9% | -0.6% | -3.4% | 2.2% | |
| EUROPEAN UNION | 223,637 | 207,220 | 129,947 | 162,413 | 172,618 | 154,111 | 157,003 | 162,314 | 167,869 | 172,108 | 11% |
| % Δ YoY | 7.4% | -7.3% | -37.3% | 25.0% | 6.3% | -10.7% | 1.9% | 3.4% | 3.4% | 2.5% | |
| United States | 120,381 | 110,500 | 69,400 | 92,400 | 101,000 | 108,300 | 106,300 | 121,600 | 108,300 | 102,570 | 6% |
| % Δ YoY | -10.2% | -8.2% | -37.2% | 33.1% | 9.3% | 7.2% | -1.8% | 14.4% | -10.9% | -5.3% | |
| Other North America | 46,826 | 44,080 | 29,800 | 38,903 | 41,482 | 45,165 | 43,203 | 47,974 | 47,076 | 48,456 | 3% |
| % Δ YoY | -4.9% | -5.9% | -32.4% | 20.5% | 6.6% | 9.0% | -4.3% | 11.0% | -1.9% | 5.1% | |
| NORTH AMERICA | 167,207 | 154,580 | 99,200 | 131,303 | 142,482 | 153,465 | 149,503 | 169,574 | 155,376 | 152,026 | 9% |
| % Δ YoY | -8.6% | -7.6% | -39.8% | 32.4% | 8.5% | 7.7% | -2.6% | 12.4% | -8.4% | -2.2% | |
| Russia | 46,959 | 40,896 | 28,477 | 41,444 | 47,981 | 49,488 | 49,671 | 49,253 | 44,558 | 42,452 | 3% |
| % Δ YoY | 13.1% | -12.9% | -30.4% | 48.5% | 13.8% | 3.1% | 0.4% | -0.8% | -9.5% | -4.7% | |
| CIS (ex Russia) | 18,299 | 16,129 | 12,275 | 14,032 | 15,257 | 16,191 | 16,767 | 14,099 | 12,147 | 12,285 | 1% |
| % Δ YoY | 17.7% | -11.8% | -23.9% | 14.3% | 8.7% | 6.1% | 3.6% | -18.9% | -13.8% | 1.1% | |
| CIS | 65,258 | 57,035 | 40,752 | 55,476 | 63,238 | 65,679 | 66,438 | 63,352 | 56,705 | 54,737 | 3% |
| % Δ YoY | 14.3% | -12.6% | -28.5% | 36.1% | 14.0% | 3.9% | 1.2% | -4.6% | -10.5% | -3.5% | |
| OTHER EUROPE | 32,103 | 29,441 | 24,589 | 30,627 | 34,654 | 36,126 | 39,143 | 39,276 | 42,450 | 43,190 | 3% |
| % Δ YoY | 7.8% | -8.3% | -16.5% | 24.6% | 13.1% | 4.2% | 8.4% | 0.3% | 8.1% | 1.7% | |
| SOUTH AMERICA | 43,303 | 46,644 | 35,445 | 47,748 | 50,564 | 51,723 | 54,516 | 51,215 | 47,423 | 40,617 | 2% |
| % Δ YoY | 10.2% | 7.7% | -24.0% | 34.7% | 5.9% | 2.3% | 5.4% | -6.1% | -7.4% | -14.4% | |
| MIDDLE EAST | 48,378 | 54,265 | 50,096 | 52,871 | 56,119 | 55,661 | 57,510 | 59,204 | 58,483 | 57,728 | 4% |
| % Δ YoY | 20.4% | 12.2% | -7.7% | 5.5% | 6.1% | -0.8% | 3.3% | 2.9% | -1.2% | -1.3% | |
| AFRICA | 24,992 | 29,627 | 32,666 | 30,231 | 32,088 | 35,860 | 39,677 | 40,707 | 42,032 | 40,885 | 3% |
| % Δ YoY | 3.4% | 18.5% | 10.3% | -7.5% | 6.1% | 11.8% | 10.6% | 2.6% | 3.3% | -2.7% | |
| OCEANIA | 9,435 | 9,545 | 6,782 | 8,838 | 7,745 | 8,271 | 7,527 | 8,397 | 8,225 | 7,710 | 0% |
| % Δ YoY | 8.1% | 1.2% | -28.9% | 30.3% | -12.4% | 6.8% | -9.0% | 11.6% | -2.0% | -6.3% | |
| Global Steel Consumption (Demand) | 1,330,508 | 1,336,074 | 1,233,271 | 1,409,993 | 1,523,022 | 1,554,028 | 1,652,449 | 1,668,162 | 1,616,440 | 1,630,189 | 100% |
| % Δ YoY | 6.8% | 0.4% | -7.7% | 14.3% | 8.0% | 2.0% | 6.3% | 1.0% | -3.1% | 0.9% | |

Source: Deutsche Bank, Bloomberg Finance LP, the World Steel Association

While China accounts for approximately 50% of global crude steel production, according to the data it uses ~44% of that steel domestically. Chinese demand for steel is predominantly attributable to government-funded projects targeting property and infrastructure development. Below we list the top five countries in terms of steel consumption worldwide. Collectively they comprised ~63% of global apparent demand in 2016; excluding China this statistic falls to ~19%.

Figure 21: The Top Five Steel-Consuming Countries Worldwide in 2016 (000's of metric tonnes)

| Global Steel Consumption (000's) | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | % Global |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------|
| 1) China | 435,860 | 465,480 | 574,420 | 612,060 | 667,930 | 687,610 | 765,750 | 740,380 | 700,350 | 709,400 | 44% |
| % Δ YoY | 10.8% | 6.8% | 23.4% | 6.6% | 8.1% | 2.9% | 11.4% | -2.3% | -5.4% | 1.3% | |
| 2) United States | 120,381 | 110,500 | 69,400 | 92,400 | 101,000 | 108,300 | 106,300 | 121,600 | 108,300 | 102,570 | 6% |
| % Δ YoY | -10.2% | -8.2% | -37.2% | 33.1% | 9.3% | 7.2% | -1.8% | 14.4% | -10.9% | -5.3% | |
| 3) India | 55,491 | 56,209 | 64,360 | 69,082 | 73,154 | 77,436 | 80,656 | 86,404 | 89,419 | 91,681 | 6% |
| % Δ YoY | 13.0% | 1.3% | 14.5% | 7.3% | 5.9% | 5.9% | 4.2% | 7.1% | 3.5% | 2.5% | |
| 4) Japan | 85,900 | 83,200 | 56,000 | 67,400 | 69,600 | 68,800 | 70,800 | 72,900 | 67,800 | 67,500 | 4% |
| % Δ YoY | 3.1% | -3.1% | -32.7% | 20.4% | 3.3% | -1.1% | 2.9% | 3.0% | -7.0% | -0.4% | |
| 5) South Korea | 57,404 | 61,011 | 47,303 | 54,573 | 58,741 | 56,322 | 53,919 | 57,834 | 58,125 | 59,454 | 4% |
| % Δ YoY | 9.9% | 6.3% | -22.5% | 15.4% | 7.6% | -4.1% | -4.3% | 7.3% | 0.5% | 2.3% | |
| Top Five Steel Consuming Nations | 705,036 | 776,400 | 811,483 | 895,515 | 970,425 | 998,468 | 1,077,425 | 1,079,118 | 1,023,994 | 1,030,605 | 63% |
| % Δ YoY | 6.0% | 2.8% | 4.5% | 10.4% | 8.4% | 2.9% | 7.9% | 0.2% | -5.1% | 0.6% | |
| Global Steel Apparent Demand | 1,330,508 | 1,336,074 | 1,233,271 | 1,409,993 | 1,523,022 | 1,554,028 | 1,652,449 | 1,668,162 | 1,616,440 | 1,630,189 | 100% |
| % Δ YoY | 6.8% | 0.4% | -7.7% | 14.3% | 8.0% | 2.0% | 6.3% | 1.0% | -3.1% | 0.9% | |

Source: Deutsche Bank, Bloomberg Finance LP, the World Steel Association

Notably Russia was the fifth largest steelmaker in 2016 producing 70.8mn mt of steel, yet apparent domestic demand in Russia for that manufactured steel was only 42.4mn mt. Given such a wide disparity between supply and demand, Russia may be responsible for one of the largest steel surpluses after China.