Trade Deficit between LATAM and China Deepens

Declining commodity prices have deepened the trade deficit between Latin America and China, according to Alacero, the Latin American Steel Association.

As the price of steelmaking raw materials (iron ore, coal and scrap) took a nose dive in 2014, China benefited from the situation and acquired 7% more raw materials from foreign markets at a value 13% lower in dollar terms.

Latin American shipments to China grew by 5% but decreased by 16% in value terms. The region shipped 199Mt of iron ore to China in 2014, up 5% on the previous year and 86% originated in Brazil.

Conversely, shipments of coking coal from China to Latin America grew by 23% in volume terms and 5% in dollar terms when compared with 2013. Coke was the main steelmaking input shipped by China to the LATAM region in 2014 (907Mt, up 25% from 2013).

Where finished steel was concerned, China shipped 8.3Mt in 2014 – 56% more than in 2013 – while the LATAM region exported only 41.5kt to China, which was 3% lower than in the previous year.

Brazil was on the receiving end for most of China's LATAM exports (2Mt) followed by Chile (1.25Mt) and Central America (1.17Mt). Mexico was the fourth most important destination (790kt).

Flat products accounted for 67% of finished steel arriving in Latin America from China (5.5Mt) while long products totalled 2.2Mt, a growth of 79% compared with 2013. Other products included other alloyed steel sheets and coils (2.16Mt), wire rod (1.18Mt) and hot dip galvanised (1.11Mt).

Latin America increased shipments of seamless pipes to China by 106% despite the small volume of 18kt. However, it received 499kt of the same product from China.

Where indirect imports were concerned, the Chinese shipped 6.1Mt to Latin America but imported just 106kt from Latin America (a 13% increase over 2013).de products," said Alacero.

This section is a compilation from various company press releases, business dailies & trade publications.

China Steel Corporation Approves Development of Commercial Ethanol Facility in Taiwan

China Steel Corporation, Taiwan's largest integrated steelmaker, based in Kaohsiung, has approved a capital investment of 1400 million TWD (Taiwanese New Dollars) on the development by US-based LanzaTech, of a commercial ethanol facility.

The decision to go ahead with the project was based on a demonstration of the US company's White Biotech demonstration plant in Kaohsiung, which uses steel mill off gases for ethanol production.

In November 2012, China Steel Corporation (CSC) and LCY Chemical Corporation formed a joint venture, White Biotech (WBT), as part of a Green Energy Alliance with LanzaTech. The resulting demonstration plant met or exceeded all ethanol production milestones and the CSC Board has now formally approved the capital for a commercial scale venture.

LanzaTech's gas fermentation process uses proprietary microbes to capture and re-use carbon rich waste gases, reducing emissions and pollutants from industrial processes such as steel manufacturing, while making fuels and chemicals that displace those made from fossil resources.

A 50,000 metric tonnes (17 million gallons) per annum facility is planned for construction in Q4 2015, with the intention of scaling up to 100,000 metric tonnes (34 million gallons) per annum commercial unit thereafter. Initial product focus will be industrial ethanol and gasoline additives, with plans for increased product diversity using LanzaTech's microbial capability.

"LanzaTech will help create a more sustainable future by recycling carbon from the steel mill and enabling green growth through production of useful everyday products. We will have to work even closer to complete this important project," said Dr. Jo-Chi Tsou, Chairman of CSC.

LanzaTech's CEO Jennifer Holmgren said that CSC has long been a champion of utilising new technologies. "We need to keep fossil resources in the ground and carbon recycling is one way we can achieve this. If we are to keep within our global carbon budget we need all technologies to contribute and, more importantly, we need forward looking industries and organisations, such as CSC, to bring these technologies to market."