Modest recovery in global steel market : OECD

The OECD's steel committee has acknowledged a modest recovery in the global steel market but expresses ongoing concern over increases in steelmaking capacity. At its meeting last week in Paris, it also noted mounting trade frictions and stressed the need for steel markets to remain 'as open and free of distortion as possible'.

Conditions in the world steel market have improved over the past year - 'but there are indications that this trend may be temporary', says the committee. 'Demand growth is expected to remain modest as Chinese steel demand, which accounts for 45% of the world total, is anticipated to decrease again in 2017, after growing by 1.3% in 2016.'

Among the risks clouding the steel demand outlook, the committee identifies: rising trade restrictions; recent trade and

tax policy uncertainty in a number of countries; lack of clarity regarding further Chinese government economic stimulation; and increased digitalisation of modern economies that point towards less steel use in relation to economic growth.

Excess capacity remains considerable and utilisation rates very low, such that the financial situation for most steel companies is still challenging, argues the OECD committee. The amount of steelmaking capacity closed in 2016 was offset by new additions, resulting in a net increase of 32.4 mln tons or 1.4% to 2.3897 billion tons.

New data suggest nearly 40 mln tons of gross capacity additions are currently under way and could come on stream by 2019 while an additional 53.6 mln tons of capacity is in the planning stage for possible start-up during the same time period.

The OECD committee has reiterated the urgency of addressing the excess capacity problem, for example by avoiding any direct or indirect forms of government support at home and abroad (including through state-owned entities) that incentivise the expansion of excess capacity or sustain economically unviable capacities.

US Dept. of Commerce imposes duties on CTL steel plates from 7 countries

The U.S. Department of Commerce made a final finding that seven foreign producers dumped certain carbon and alloy steel cut-to-length plate in the U.S. market, allowing it to impose duties ranging from 3.62 percent to 148 percent, Commerce Secretary Wilbur Ross said.

The determinations of dumping, or selling a product below its fair price, apply to imports of CTL plate from Austria, Belgium, France, Germany, Italy, Japan, South Korea and Taiwan, Ross said.

In addition, there was a final finding that South Korean imports were subsidized, leading to a countervailing duty of 4.31 percent being slapped on those products, he said at a department event.

"A healthy steel industry is critical to our economy and manufacturing base, yet our steel industry today is under assault from foreign producers that dump and subsidize their exports," Ross said.

In 2015, imports of CTL plate from the seven producers totaled USD732 mln, with those from Austria - USD14.2 mln, Belgium - USD19.8 mln, France - USD179 mln, Germany - USD196.2 mln, Italy - , USD37 mln, Japan - USD54.9 mln, Korea - USD210 mln and Taiwan - USD21 mln, department figures show.

Cut-to-length steel is used in a wide range of applications, including buildings and bridgework; agricultural, construction and mining equipment; machine parts and tooling; ships, rail cars, tankers and barges; and large-diameter pipe.

The finding followed an investigation prompted by a petition from Nucor Corp and U.S. subsidiaries of ArcelorMittal SA and SSAB AB.

For Austrian producers and exporters, dumping duties on the Voestalpine group and all others were set at 53.72 percent.

They were 5.4 percent for Industeel Belgium, 51.78 percent for the NLMK Belgium group and 5.4 percent for all other Belgium producers and exporters.

Among French manufacturers and exporters, duty rates were set at 148.02 percent for Industeel France and 8.62 percent for Dillinger France and all others.

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