American steel companies optimism rises

After years of challenges, American steel companies have finally seen their sector improve and optimism is running high for 2017.

US steel companies were battered in recent years as cheap Chinese steel imports took over an increasing share of American steel demand. When this trend was noted, US steel companies attributed it to the Chinese government, unfairly subsidising its domestic steel companies, making it impossible for American steel companies to compete when it came to prices. Numerous trade suits were filed, and in 2016 some suits found that the accusations were true, and steep tariffs were put on some Chinese steel imports. There are still some pending investigations.

Furthermore, global steel prices climbed in 2016 as China followed through on its promise to curb its steel overcapacity by shuttering some operations, while demand picked up amid the country's infrastructure spending programmes. For 2016, US steel producers are positive about prices, fair competition and now an increase in demand thanks to president-elect Donald Trump. Trump made a campaign promise of increased infrastructure spending. There is also hope that a Trump administration will increase measures to protect the US steel market from unfair, cheap imports.

In December, in an interview with CNBC, United States Steel's CEO Mario Longi said that the company would like to accelerate its investments and hire back laid-off employees now that Donald Trump is president-elect. "We already structured to do some things, but when you see in the near future improvement to the tax laws, improvements to regulation, those two things by themselves may be a significant driver to what we're going to do," Longi said in the interview.

Looking at the share values of American steel companies, one can see the improvement in investor sentiment. United States Steel's shares are up 364% so far in 2016. Since the election they have climbed 90%. AK Steel Holdings shares have gained 390% this year, with about one-third of the ascent occurring since election day 2016.

Tenova, Diproinduca forms alliance to develop technology

Tenova HYL and Diproinduca Canada Ltd. have formed an alliance that will further develop and commercialize technology designed to reuse iron ore fines in direct reduction plants.

"In the current struggling steel market scenario, in which each dollar counts, this exciting technology will provide (direct reduction) plant users a technology for reducing byproducts, increasing the yield and ultimately optimizing their operating costs, which obviously is the target of steelmakers anywhere," said Tenova HYL commercial director Pablo Duarte in a statement.

Tenova said the technology it and Diproinduca Canada are working on captures fines from a variety of sources -- material handling scrubbing systems, iron ore screenings and the sludge from the scrubbing systems tied to reduction and cooling gas circuits -- and turn it into a feedstock.

The feedstock, in the form of a briquette, is meant to be fed directly into the reducing reactor to produce DRI, thereby increasing yields and lowering operating costs by eliminating the logistics associated with fines disposal.

Tenova said its direct reduction briquettes technology has been developed over the past two years at Ternium's 3M5 plant in Monterrey, Mexico.

"Tests results have shown an average metalization of 94% to 95% with carbon content of about 3% and low fines generation, all at the same level of the DRI actually produced from iron ore pellets, reflecting the excellent behavior of the briquettes in terms of porosity and mechanical strength during the reduction process inside the industrial reactor," the company said.

Chinese companies hit with record number of trade disputes

Chinese companies were the target of a record number of trade dispute cases in 2016, more than half of which involved the steel industry.

China ministry of commerce said that about 27 countries and regions filed 119 trade remedy cases against China-made products in 2016, an increase of 36.8% from the previous year.

A ministry spokesperson Mr Sun Jiwen said that many countries and regions have put restrictions on Chinese products such as photovoltaic panels, ceramic tiles and tires.

There were also a lot of trade disputes involving the chemical engineering and light manufacturing industries, according to MOFCOM.

Sun noted that trade disputes grew politicized last year, and trade remedies tended to be extreme. He added that "Trade remedies are a double-edged sword. Given the sluggish global economy, we hope each country and region will apply trade remedies cautiously."

He further said that China would prefer to cooperate with other countries through negotiations to address trade disputes, in order to encourage a faster recovery of the global economy.