

Stainless market to return to 2019 levels, BIR

Kallanish | 3 June 2021

Stainless steel production in Europe, the Middle East and Asia could well return to 2019 levels this year. This however is not predicted to happen in the USA, Japan and India, Nornickel analyst Alina Racu said at the Bureau of International Recycling (BIR) convention this week attended by **Kallanish**.

Racu also sees a swift post-Covid-19-pandemic recovery in the global stainless steel market. The 2.4% reduction in global stainless consumption in 2020 “was actually smaller than the declines witnessed at the time of the global financial crisis of 2008 and 2009,” Racu observed. “Steep year-on-year falls in the USA (-17%), Europe (-9%) and Japan (-6%) were largely counterbalanced by consumption growth of more than 6% in China on the back of its government’s metals-intensive stimulus plan.”

Olivier Masson, senior analyst at Roskill, said at the meeting: “If China were to put a cost” on mills’ carbon emissions and on the environmental footprint of raw material production processes, this could bring greater use of scrap.” He forecasts a very small hike in scrap consumption in China because of increased nickel pig iron availability.

The stainless steel sector is forecast to remain the main driver for global nickel demand despite a surge in demand from the automotive industry for electric battery grade nickel, BIR says.

The global stainless market is currently affected by a significant shortage of stainless coil, particularly cold rolled coil for which prices are going over the level of €3,000/tonne (\$3,656) (*see separate story*).