



Argus News & analysis

Ex-China global scrap consumption rebounds in 2021

30 May 22, 17:44 - Metals, Ferrous, Scrap

London, 30 May (Argus) – Ferrous scrap consumption increased across most major global markets in 2021 as steelmaking activity rebounded on the easing of Covid-19 lockdowns, but usage by the world's largest consumer, China, edged lower.

China consumed 226.21mn t in 2021, down by 2.8pc on the year, Rolf Willeke, statistics advisor to the Bureau of International Recycling (BIR)'s ferrous division said last week. China's faster initial recovery from the first Covid wave in 2020 meant that it did not see the same dramatic increase in 2021 scrap usage, but the 2021 total was still 4.8pc higher than in the last pre-pandemic year of 2019.

And the proportion of scrap used in China's steel production rose to 21.9pc in 2021 from 2020 owing to an 11.5pc increase in scrap-intensive electric furnace production. This proportion was slightly higher than 21.7pc in 2019.

Chinese ferrous scrap consumption is likely to resume its upward march in the coming years. According to a report released in March by the China Iron and Steel Association, the government plans to increase Chinese steel scrap consumption by 70mn t to 300mn t by 2025 (<https://direct.argusmedia.com/newsandanalysis/article/2318360>).

Ferrous scrap consumption in all other large steelmaking geographies rose sharply in 2021 as global industrial activity started to recover from the Covid-19 pandemic, with the increased scrap usage in most countries outpacing the rate at which steel production rebounded.

Japan recorded the strongest year-on-year growth in ferrous scrap consumption, which increased by 19pc to 34.73mn t in 2021 compared to a 15pc uptick in crude steel output over the same period. Japanese scrap consumption was up by 3.1pc from 2019.

US steel scrap consumption increased by 18.3pc on the year to 59.4mn t in 2021, almost fully in line with crude steel production growth. Overall consumption remained below pre-pandemic levels at 2.14pc below 2019 figures, but scrap's share of US crude steel raw material inputs edged past 2019's 69.1pc to reach 69.2pc.

The EU-27 increased steel scrap consumption by 16.7pc to 87.85mn t last year. Crude steel production for the region increased in tandem, by 15.4pc to 152.58mn t. And the proportion of steel scrap used in member states' production of crude steel rose to 57.6pc last year.

Russian crude steel production also grew by 5pc to 76.89mn t, a 7.4pc increase on pre-pandemic 2019. Steel scrap consumption has also increased compared with 2019, growing by 5.7pc from 30.4mn t in 2019 to 32.14mn t in 2021. The proportion of steel scrap used in Russian crude steel production decreased from 42.5pc in 2019 to 41.7pc last year.

South Korean steel scrap consumption increased last year by 9.5pc to 28.3mn t, almost double the 5pc growth in the country's crude steel output. Although South Korean consumption increased in 2021 relative to the height of the pandemic in 2020, the country is yet to return to its pre-Covid-19 level of 28.5mn t in 2019. The proportion of steel scrap used in South Korean crude steel production in 2021 was virtually flat on 2019, increasing marginally from 39.9pc to 40.1pc last year.

And the world's largest steel scrap buyer, Turkey, consumed 34.8mn t of steel scrap last year, a 15.7pc increase on the year and in line with the country's ramp-up of scrap imports. Turkish ferrous scrap consumption has surged from before the pandemic, with the 2021 total up by 24.7pc from 2019. The proportion of steel scrap used in Turkish crude steel production increased from 82.8pc in 2019 to 86.1pc last year.

By Georgina McCartney

Send comments and request more information at feedback@argusmedia.com

Copyright © 2022. Argus Media group (<http://www.argusmedia.com/>). All rights reserved.

14658073

Notice: By accessing this site you agree that you will not copy or reproduce any part of its contents (including, but not limited to, single prices, graphs or news content) in any form or for any purpose whatsoever without the prior written consent of the publisher.