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DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INDUSTRY

OECD Special Meeting at High-Level on Steel Issues

GLOBAL STEEL ALERT - 2005 OUTLOOK

Paper by World Steel Dynamics

The Outlook for Steel Conference, organised by the OECD in co-operation with the IISI on 12-13 January 2005 at the OECD Headquarters in Paris.

Please see attached pdf file.

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WORLD STEEL DYNAMICS

Global Steel Alert #25

2005 outlook.

Shortage ends.
Yet, profits remain high.

Early Warning System

Illusions and reality are currently hard to separate from one another in the global steel business. Is the global industry about to step off the curb into a two-inch deep puddle? Or, is it a 10-foot deep sewer because the manhole cover was stolen (and sold as scrap)?

World export price for hot-rolled band may not hold after Q1

The global steel shortage is expected to remain in place in the first quarter of 2005. The world export price for hot-rolled band, for example, is expected to hold at about the current figure of \$575 per tonne, FOB the port of export. This price compares to a brief low of \$175 per tonne in December 2001 and a high of \$625 per tonne in September 2004. Steel sheet prices are currently rising in China due to inventory shortfalls and rising demand; the world export price for slab remains above \$500 per tonne; the weak U.S. dollar seems to be propping up the market; and, steel scrap prices remain quite lofty (although declining after their third spike in 2004).

Starting in the second quarter, however, **WSD places the odds at 70% that the global steel shortage comes to an end.** Arguments supporting this view include: a) global steel production seems to be in the process of rising to a level in excess of demand; b) new orders for steel in the USA and Europe seem to be only good, rather than booming; c) seasonal forces turn negative for new orders in the USA and Europe after the first quarter; and c) capacity increases are starting to become substantial as the industry ramps up its capital outlays.

Let's assume that steel sheet export prices start to fall substantially starting in the second quarter. If so:

- WSD places the **odds at 4 in 7** that they drop less sharply than one would expect in a pricing "death spiral." Relatively high prices for steelmakers' raw materials (i.e., the "age of metallics") and rising global demand may be the factors causing HRB export prices to hold up relatively well – as was also the case in mid-2003.
- WSD places the **odds at 3 in 7** that there is a pricing "death spiral" for hot-rolled band, with the price bottoming out briefly at about \$300 per tonne perhaps in the fall of 2005.

WORLDSTEELDYNAMICS

Whether or not the decline in the world export price is moderate or severe by historic standards, **WSD expects home-country prices to be “sticky” on the downside relative to the world price.** Sellers are currently winning the psychological war with buyers so decisively that, even if buyers start to win the war, they won't know it for six months.

Global Steel Alert Spot Pricing, Spreads and Indicators (1 of 2)

(\$ per metric tonne)	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Steelmakers' raw material prices												
Met.coke, 10.5% ash (FOB, China)	71	76	88	105	150	151	155	200	328	373	238	253
USA steel scrap												
#1 HM	80	100	102	95	118	105	126	157	212	179	229	219
Autobundle	108	135	151	133	154	150	169	204	268	277	401	458
Japan scrap at steel plant												
No. 1 HM to Korea and Japan	80	100	96	124	137	117	139	149	166	163	211	252
DRI; (FOB, S. America)	118	132	132	152	180	160	184	216	306	228	291	283
Pig iron (FOB, S.America)	80	100	96	124	137	117	139	149	214	226	260	313
Slab (FOB, Tier I mills)	115	130	117	125	170	138	177	225	270	262	303	327
	175	210	225	210	252	210	250	275	370	462	503	517
HRB prices (FOB. mill)												
World export (Tier I mills)	220	280	295	306	323	251	275	316	451	532	596	592
Brazil home market	254	210	210	263	284	210	210	330	400	460	485	558
China home market	247	265	292	306	322	269	278	316	469	415	457	484
EU home market	250	245	280	295	327	350	322	365	450	549	582	679
India home market	256	275	298	317	324	270	357	375	450	441	464	491
Japan home market	244	282	277	270	377	371	408	443	495	582	613	707
Russia home market	175	199	222	215	260	230	246	265	435	488	543	548
South Korea home market	227	266	276	286	303	303	316	308	347	416	452	495
Taiwan home market	230	270	280	306	315	323	337	345	368	421	444	480
USA home market	308	377	396	338	316	288	321	397	520	604	767	711
Indexed HRB prices												
World export (Tier I mills)	72	74	75	91	102	87	86	80	87	88	78	83
Brazil home market	82	56	53	78	90	73	65	83	77	76	63	78
China home market	80	70	74	91	102	93	87	80	90	69	60	68
EU home market	81	65	71	87	104	122	100	92	86	91	76	95
India home market	83	73	75	94	103	94	111	94	87	73	60	69
Japan home market	79	75	70	80	119	129	127	112	95	96	80	99
Russia home market	57	53	56	64	82	80	77	67	84	81	71	77
South Korea home market	74	71	70	85	96	105	98	77	67	69	59	70
Taiwan home market	75	71	71	91	100	112	105	87	71	70	58	67
USA home market = 100	100	100	100	100	100	100	100	100	100	100	100	100
Price spreads per tonne												
USA autobundle scrap less #1 HM	29	35	49	38	36	46	43	47	56	98	172	240
Pig iron less USA #1 HM scrap	35	30	15	30	52	33	51	68	58	83	75	108
DRI less USA #1 HM scrap	0	0	-5	29	19	12	13	-8	2	47	31	94
Slab less Chinese coke	104	134	137	105	102	59	95	75	42	88	266	263
Int'l slab less pig iron	60	80	108	85	82	72	73	50	100	200	200	190
Int'l slab less auto scrap	67	75	74	77	98	60	81	71	102	185	102	58
USA HRB less auto scrap	199	243	245	204	162	138	152	193	252	327	366	253
World export HRB less auto scrap	112	145	144	172	169	101	106	112	183	255	195	133
HRB: World export less slab	45	70	70	96	71	41	25	41	81	70	93	75

WORLDSTEELDYNAMICS

Global Steel Alert Spot Pricing, Spreads and Indicators (2 of 2)

(\$ per metric tonne)	2003	2004											
	Dec.	Jan.	Feb	Mar	Apr	May	June	July	August	Sept.	Oct.	Nov.	Dec.
Steelmakers' raw material prices													
Met.coke, 10.5% ash (FOB, China)	200	250	310	425	425	385	310	300	208	205	240	245	275
USA steel scrap													
#1 HM	157	172	218	245	208	165	163	218	265	203	233	231	192
Autobundle	204	228	266	310	289	267	275	341	434	428	470	492	413
Japan scrap at steel plant													
No. 1 HM to Korea and Japan	149	161	160	178	163	163	164	207	237	189	323	223	208
	216	288	340	290	278	213	193	298	312	262	300	280	269
DRI: (FOB, S. America)	160	166	220	255	235	220	222	235	270	275	290	350	300
Pig iron (FOB, S.America)	225	235	270	305	285	250	250	290	310	310	310	345	325
Slab (FOB, Tier I mills)	275	310	380	420	420	465	500	500	500	510	510	520	520
HRB prices (FOB, mill)													
World export (Tier I mills)	350	406	422	525	560	525	510	550	615	625	625	550	600
Brazil home market	330	350	400	450	455	460	465	475	490	490	560	550	565
China home market	401	447	485	476	478	375	391	438	462	472	468	483	502
EU home market	365	407	421	521	536	538	573	575	580	592	650	655	732
India home market	375	433	450	467	444	437	442	451	463	477	485	485	502
Japan home market	443	449	454	581	566	589	593	588	618	632	676	713	733
Russia home market	380	410	440	455	480	490	495	500	530	600	575	530	540
South Korea home market	308	320	347	375	409	418	420	422	462	471	480	484	519
Taiwan home market	345	357	360	388	408	425	431	440	442	451	475	476	488
USA home market	397	453	540	566	573	590	650	664	827	809	734	670	730
Indexed HRB prices													
World export (Tier I mills)	88	90	78	93	98	89	78	83	74	77	85	82	82
Brazil home market	83	77	74	80	79	78	72	72	59	61	76	82	77
China home market	101	99	90	84	83	64	60	66	56	58	64	72	69
EU home market	92	90	78	92	94	91	88	87	70	73	89	98	100
India home market	94	95	83	83	78	74	68	68	56	59	66	72	69
Japan home market	112	99	84	103	99	100	91	89	75	78	92	106	100
Russia home market	96	90	81	80	84	83	76	75	64	74	78	79	74
South Korea home market	77	71	64	66	71	71	65	64	56	58	65	72	71
Taiwan home market	87	79	67	68	71	72	66	66	53	56	65	71	67
USA home market = 100	100	100	100	100	100	100	100	100	100	100	100	100	100
Price spreads per tonne													
USA autobundle scrap less #1 HM	47	57	47	65	81	101	112	123	169	225	236	261	221
Pig iron less USA #1 HM scrap	68	63	52	60	77	85	87	72	45	107	77	114	133
DRI less USA #1 HM scrap	3	-6	2	10	27	55	59	17	5	72	57	119	108
Slab less Chinese coke	75	60	70	-5	-5	80	190	200	292	305	270	275	245
Int'l slab less pig iron	50	75	110	115	135	215	250	210	190	200	200	175	195
Int'l slab less auto scrap	71	82	114	110	131	198	225	159	66	82	40	28	107
USA HRB less auto scrap	193	225	274	256	284	323	375	322	394	381	264	178	317
World export HRB less auto scrap	147	178	156	215	271	258	235	208	181	197	155	58	187
HRB: World export less slab	75	96	42	105	140	60	10	50	115	115	115	30	80

WORLDSTEELDYNAMICS

WSD World Seasonally Adjusted Crude Steel Production Trends

Year	----- Capacity -----			----- Production -----						----- Operating Rate -----			--- Year-to-Year Change ---		
	----- Effective -----			----- Actual -----			----- Annl Seas Adj -----			----- Actual Effective -----			----- Production -----		
	China	Rest of World	Total World	China	Rest of World	Total World	China	Rest of World	Total World	China	Rest of World	Total World	China	Rest of World	Total World
	--- million metric tonnes ---			----- million metric tonnes -----						----- Percent -----			----- Percent -----		
Year	142.0	783.7	925.7	128.5	720.5	849.0	128.5	720.6	849.1	90.5%	91.9%	91.7%	3.69%	8.42%	7.67%
Jan-01	13.9	66.5	80.4	11.6	59.3	70.9	136.6	713.7	850.3	83.2%	89.2%	88.2%	13.64%	0.46%	2.40%
Feb-01	12.6	60.1	72.6	11.0	55.5	66.5	143.5	698.8	842.3	87.4%	92.5%	91.6%	11.14%	-3.11%	-1.01%
Mar-01	13.9	66.5	80.4	12.2	61.4	73.6	143.5	700.0	843.5	87.4%	92.3%	91.5%	18.68%	-1.30%	1.53%
Apr-01	13.5	64.3	77.8	11.8	59.8	71.6	143.9	705.1	849.0	87.6%	92.9%	92.0%	14.04%	-1.20%	1.03%
May-01	13.9	66.5	80.4	12.3	60.7	73.0	144.5	702.1	846.6	88.0%	91.3%	90.7%	12.77%	-3.64%	-1.22%
Jun-01	13.5	64.3	77.8	12.5	59.2	71.7	152.3	707.2	859.5	92.8%	92.0%	92.1%	17.76%	-1.76%	1.16%
Jul-01	13.9	66.5	80.4	12.8	58.3	71.1	150.5	710.6	861.1	91.7%	87.8%	88.4%	18.23%	-5.03%	-1.55%
Aug-01	13.9	66.5	80.4	12.7	57.2	69.9	149.9	712.8	862.7	91.3%	86.0%	86.9%	18.20%	-2.50%	0.71%
Sep-01	13.5	64.3	77.8	12.7	58.6	71.3	155.0	709.4	864.4	94.4%	91.1%	91.6%	20.14%	-1.49%	1.79%
Oct-01	13.9	66.5	80.4	13.6	59.0	72.6	159.8	687.8	847.6	97.3%	88.8%	90.2%	23.31%	-4.20%	-0.03%
Nov-01	13.5	64.3	77.8	13.8	56.1	69.9	167.7	676.4	844.2	102.2%	87.2%	89.8%	22.58%	-4.76%	-0.38%
Dec-01	13.9	66.5	80.4	14.6	54.2	68.8	172.0	669.8	841.9	104.8%	81.6%	85.6%	23.84%	-6.65%	-1.50%
Year	164.2	782.8	947.0	151.6	699.4	851.0	151.6	699.5	851.1	92.4%	89.3%	89.9%	18.00%	-2.93%	0.24%
Jan-02	15.8	65.8	81.6	13.9	56.9	70.8	163.3	685.8	849.2	87.9%	86.5%	86.8%	19.56%	-4.01%	-0.15%
Feb-02	14.2	59.5	73.7	13.3	54.5	67.8	173.0	685.8	858.8	93.2%	91.7%	92.0%	20.60%	-1.80%	1.90%
Mar-02	15.8	65.8	81.6	14.8	60.7	75.4	174.0	691.1	865.1	93.7%	92.1%	92.4%	21.30%	-1.21%	2.52%
Apr-02	15.3	63.7	79.0	14.5	59.3	73.8	176.7	698.3	875.0	95.2%	93.0%	93.4%	22.84%	-0.86%	3.05%
May-02	15.8	65.8	81.6	15.3	61.8	77.1	180.6	714.3	894.9	97.2%	93.8%	94.5%	25.00%	1.75%	5.65%
Jun-02	15.3	63.7	79.0	15.1	60.9	76.0	183.3	727.9	911.2	98.7%	95.6%	96.2%	20.38%	2.92%	5.97%
Jul-02	15.8	65.8	81.6	15.4	60.6	76.0	181.4	737.7	919.1	97.7%	92.0%	93.1%	20.51%	3.81%	6.81%
Aug-02	15.8	65.8	81.6	15.6	60.5	76.1	183.8	753.8	937.6	99.0%	91.9%	93.2%	22.61%	5.77%	8.84%
Sep-02	15.3	63.7	79.0	15.4	61.7	77.1	187.8	747.1	934.9	101.1%	96.8%	97.7%	21.14%	5.30%	8.13%
Oct-02	15.8	65.8	81.6	15.9	63.0	78.9	187.0	734.1	921.1	100.7%	95.6%	96.6%	17.07%	6.71%	8.65%
Nov-02	15.3	63.7	79.0	16.2	61.0	77.2	197.1	736.4	933.4	106.1%	95.8%	97.8%	17.47%	8.85%	10.56%
Dec-02	15.8	65.8	81.6	16.9	60.6	77.5	198.5	749.5	948.0	106.9%	92.0%	94.9%	15.39%	11.77%	12.54%
Year	185.7	775.3	961.0	182.2	721.5	903.7	182.2	721.8	904.0	98.1%	93.1%	94.0%	20.19%	3.16%	6.19%
Jan-03	19.3	67.4	86.7	15.5	61.7	77.2	182.7	742.8	925.5	80.4%	91.5%	89.0%	11.86%	8.29%	8.99%
Feb-03	17.4	60.9	78.3	15.6	57.7	73.3	203.4	724.6	928.0	89.5%	94.7%	93.6%	17.53%	5.72%	8.03%
Mar-03	19.3	67.4	86.7	17.1	65.2	82.3	201.3	742.2	943.5	88.6%	96.7%	94.9%	15.69%	7.43%	9.04%
Apr-03	18.7	65.2	83.9	17.4	62.8	80.2	211.9	739.2	951.1	93.2%	96.2%	95.6%	19.91%	5.89%	8.65%
May-03	19.3	67.4	86.7	18.5	64.2	82.7	218.2	742.2	960.4	96.0%	95.3%	95.4%	20.82%	3.93%	7.29%
Jun-03	18.7	65.2	83.9	18.5	62.3	80.8	225.0	744.5	969.5	99.0%	95.6%	96.4%	22.75%	2.33%	6.38%
Jul-03	19.3	67.4	86.7	18.4	62.0	80.4	217.2	754.8	972.0	95.5%	92.0%	92.8%	19.73%	2.32%	5.85%
Aug-03	19.3	67.4	86.7	19.0	60.6	79.6	224.0	754.6	978.6	98.6%	89.9%	91.8%	21.88%	0.15%	4.61%
Sep-03	18.7	65.2	83.9	19.3	61.4	80.7	234.3	744.3	978.6	103.1%	94.2%	96.2%	24.75%	-0.40%	4.63%
Oct-03	19.3	67.4	86.7	19.9	64.1	84.0	234.3	747.7	982.1	103.1%	95.2%	96.9%	25.29%	1.80%	6.53%
Nov-03	18.7	65.2	83.9	20.6	63.1	83.7	250.4	761.2	1011.6	110.1%	96.8%	99.7%	27.07%	3.35%	8.32%
Dec-03	19.3	67.4	86.7	20.2	62.8	83.1	238.4	777.6	1016.0	104.9%	93.3%	95.8%	20.08%	3.68%	7.25%
Year	227.3	793.3	1020.7	220.1	747.8	967.9	220.1	748.0	968.1	96.8%	94.3%	94.8%	20.78%	3.65%	7.10%
Jan-04	23.3	68.1	91.4	19.4	64.6	84.0	228.9	780.5	1000.5	83.2%	94.8%	91.9%	24.97%	4.69%	8.77%
Feb-04	21.8	63.7	85.5	19.7	61.8	81.5	248.9	751.6	1000.5	90.5%	97.0%	95.4%	26.43%	7.19%	11.29%
Mar-04	23.3	68.1	91.4	21.8	66.4	88.3	257.9	757.6	1015.6	93.8%	97.5%	96.6%	27.78%	1.94%	7.31%
Apr-04	22.5	65.9	88.4	20.9	64.2	85.1	254.7	757.5	1012.2	92.6%	97.5%	96.2%	19.85%	2.33%	6.13%
May-04	23.3	68.1	91.4	21.1	66.2	87.2	248.5	766.3	1014.8	90.4%	97.2%	95.4%	13.62%	3.04%	5.41%
Jun-04	22.5	65.9	88.4	20.8	65.1	85.9	253.7	779.3	1033.1	92.3%	98.8%	97.1%	12.44%	4.44%	6.27%
Jul-04	23.3	68.1	91.4	22.0	65.0	87.0	259.6	794.6	1054.2	94.4%	95.5%	95.2%	19.21%	4.87%	8.16%
Aug-04	23.3	68.1	91.4	23.4	63.5	86.9	275.8	794.7	1070.4	100.3%	93.3%	95.1%	22.75%	4.85%	9.13%
Sep-04	22.5	65.9	88.4	23.8	65.4	89.1	289.8	794.1	1083.9	105.4%	99.2%	100.8%	23.38%	6.37%	10.43%
Oct-04	23.3	68.1	91.4	24.9	66.7	91.6	294.4	780.5	1074.9	107.0%	98.0%	100.3%	25.30%	4.05%	9.08%
Nov-04	22.5	65.9	88.4	25.0	66.3	91.3	305.4	801.8	1107.2	111.0%	100.6%	103.2%	21.65%	5.03%	9.12%
Dec-04 E	23.3	68.1	91.4	26.1	63.1	89.2	307.6	785.0	1092.6	111.8%	92.7%	97.6%	28.69%	0.44%	7.32%
Year	275.0	803.9	1078.9	268.8	778.2	1047.0	268.8	778.6	1047.4	97.7%	96.8%	97.1%	22.13%	4.06%	8.17%
Jan-05 E	26.4	69.7	96.1	26.1	66.1	92.2	307.7	798.3	1105.9	98.9%	94.9%	96.0%	34.76%	2.37%	9.85%
Feb-05 E	23.9	62.9	86.8	26.2	63.9	90.1	341.7	800.7	1142.4	109.9%	101.5%	103.8%	32.88%	3.31%	10.46%
Mar-05 E	26.4	69.7	96.1	26.3	68.6	94.9	309.5	779.3	1088.9	99.5%	98.4%	98.7%	20.32%	3.25%	7.47%
Apr-05 E	25.6	67.4	93.0	26.4	66.3	92.7	320.8	779.0	1099.8	103.2%	98.4%	99.8%	26.31%	3.27%	8.92%
May-05 E	26.4	69.7	96.1	26.4	68.3	94.8	311.4	788.6	1100.0	100.1%	98.0%	98.6%	25.62%	3.26%	8.66%
Jun-05 E	25.6	67.4	93.0	26.5	67.3	93.8	322.7	802.1	1124.8	103.8%	99.8%	100.9%	27.54%	3.29%	9.16%
Jul-05 E	26.4	69.7	96.1	26.6	67.1	93.8	313.3	819.1	1132.3	100.7%	96.4%	97.6%	21.00%	3.31%	7.78%
Aug-05 E	26.4	69.7	96.1	26.7	65.6	92.3	314.2	818.9	1133.1	101.0%	94.2%	96.1%	14.25%	3.32%	6.26%
Sep-05 E	25.6	67.4	93.0	26.8	67.5	94.3	325.6	817.8	1143.4	104.7%	100.1%	101.4%	12.66%	3.25%	5.76%
Oct-05 E	26.4	69.7	96.1	26.8	68.9	95.7	316.1	803.8	1119.9	101.6%	98.9%	99.6%	7.65%	3.25%	4.45%
Nov-05 E	25.6	67.4	93.0	26.9	68.4	95.3	327.6	825.6	1153.2	105.3%	101.5%	102.5%	7.55%	3.26%	4.44%
Dec-05 E	26.4	69.7	96.1	27.0	65.2	92.2	318.0	808.4	1126.4	102.2%	93.6%	96.0%	3.66%	3.30%	3.41%
Year	311.0	820.3	1131.3	318.8	803.2	1122.0	319.0	803.5	1122.5	102.5%	97.9%	99.2%	18.59%	3.20%	7.16%

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The age of discontinuity

The global steel industry is now in the second year of its “age of discontinuity” – which WSD defines as the transition between the old and the new continuums. Many recent industry developments no longer are consistent with those in the past two decades. No matter what happens, events in 2005 will provide important clues into the nature of the next continuum.

What’s the possible biggest difference between the old continuum and the new one? It may be a tight supply of steelmakers’ raw materials during periods of only moderately growing global steel demand. If so, the steel industry will have entered a longer-term “age of metallics.” In this new age, steel product prices are determined not only by the supply/demand balance for individual steel products, but by the supply/demand balance for steel scrap, coking coal, coke, iron ore, pig iron and steel scrap substitutes. (Note: In this respect, the steel industry would have a similarity to the aluminum and copper industries in that the supply/demand balance for a primary material – aluminum ingot and copper cathode – has a great influence on the price of the wrought products.)

When will steel’s age of metallics end? Perhaps not for many years if global steel demand keeps growing at about a 3% per annum rate. The steel industry’s economics are now being impacted by what one of our friends calls “the tyranny of large numbers.” Because the steel industry is now so large, only moderate increases in steel demand on a percentage change basis produce huge increases in the tonnage requirement for steelmakers’ raw materials. For example, during the period from 2004 to 2015, if Chinese steel demand rises 5.7% per year compounded and demand elsewhere expands 2.4% per year compounded, the requirement for steelmakers’ metallics in 2015 would be 1.8 billion tonnes – or 500 million tonnes above the figure for 2004. If pig iron production lags outside of China, as WSD expects, where will the metallics come from?

Will China dominate events in the steel industry in the new continuum? Yes. In early 2005, it is producing steel at an annual rate of more than 300 million tonnes versus just 129 million tonnes in 2000 – a compound growth rate of about 20% per year in the past four years. China has become a net exporter of long products and semi-finished products, while its net import position in hot-rolled band equivalent (HRB_{EQ}) products, already much diminished, will no doubt shift to a net export position in the next few years.

2005: On the verge of a “great year” for the steel mills

If “great years” are those in which shortages are in effect, WSD does not think that this will be the case this year. As noted at the start of this memorandum, while 2005 is starting out “great” for the industry, WSD expects world steel export prices to fall substantially starting in the second quarter.

For sure, most steel mills will be reporting huge profits in the first half of the year. Even if spot steel sheet prices fall in the second quarter on a bookings basis, the mills won’t suffer sizable declines in their price realizations until the second half because so much

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spot business will already have been booked ahead at high prices. Also, one-year contract sheet prices will be much higher in 2005 than 2004. *(Note: Given the intense psychological war between buyers and sellers, and the extent to which steel buyers have been losing the war, WSD expects a lag of six months, even after events turn in their favor, before steel buyers realize they are winning the war.)*

Regional steel production, LP_{EQ} and HRB_{EQ} Output and net semis trade (million metric tonnes)

	World	World excl. China	China	N. America	Japan	S.America	CIS	Europe	Other Major Asia	Rest of World
1999										
Crude Steel	788.48	664.55	123.92	113.66	94.19	51.01	86.16	197.86	88.95	32.73
HRB _{EQ} Deliveries	378.87	344.84	34.03	72.10	53.98	20.30	31.34	90.75	59.70	16.68
Net Semis Import	0.00	-0.39	0.39	8.01	-2.30	-6.70	-21.69	1.15	10.96	10.23
LP _{EQ} Deliveries	350.94	269.41	81.52	40.49	30.83	20.55	27.72	93.57	32.86	23.44
Total EQ deliveries	729.81	614.65	115.16	133.91	84.81	36.35	26.67	166.62	83.13	71.53
2000										
Crude Steel	848.98	720.48	128.50	118.40	106.44	56.03	99.00	210.00	94.00	36.62
HRB _{EQ} Deliveries	417.76	378.30	39.46	77.28	63.14	22.18	36.84	95.81	63.98	19.06
Net Semis Import	0.00	-0.41	0.41	7.78	-1.48	-6.04	-21.07	0.54	11.93	7.93
LP _{EQ} Deliveries	367.87	287.58	80.29	39.41	33.74	23.95	34.71	99.18	34.15	22.44
Total EQ deliveries	785.63	666.29	119.34	140.80	96.88	42.59	36.48	174.19	89.26	80.22
2001										
Crude Steel	851.02	699.39	151.63	105.38	102.87	51.85	100.14	204.62	95.44	39.09
HRB _{EQ} Deliveries	404.60	360.56	44.05	71.27	61.42	20.62	35.88	90.21	60.86	20.29
Net Semis Import	0.00	-5.47	5.47	5.90	-3.04	-6.22	-21.15	0.44	8.42	10.19
LP _{EQ} Deliveries	383.18	281.07	102.10	31.56	30.64	21.47	36.68	99.76	35.29	25.67
Total EQ deliveries	787.78	647.10	140.68	119.65	92.06	39.59	38.43	169.63	87.85	86.56
2002										
Crude Steel	903.73	721.48	182.25	107.59	107.75	56.26	101.61	206.87	99.96	41.45
HRB _{EQ} Deliveries	433.67	378.32	55.34	72.02	65.12	22.04	37.05	95.26	65.37	21.46
Net Semis Import	0.00	-3.27	3.27	8.67	-5.25	-7.90	-22.29	0.68	14.48	11.77
LP _{EQ} Deliveries	391.18	274.08	117.10	35.53	29.30	22.52	35.76	96.95	40.77	28.21
Total EQ deliveries	824.84	655.67	169.17	125.32	94.43	40.53	40.59	170.90	101.30	88.09
2003										
Crude Steel	967.93	747.82	220.12	109.57	110.51	59.61	108.00	212.02	104.55	43.56
HRB _{EQ} Deliveries	461.08	394.73	66.35	74.79	66.51	24.83	39.79	96.02	70.15	22.64
Net Semis Import	0.00	-4.43	4.43	8.67	-5.25	-7.90	-20.50	0.68	14.48	11.77
LP _{EQ} Deliveries	431.89	289.49	142.39	41.65	30.48	22.82	40.44	100.99	40.19	28.98
Total EQ deliveries	892.96	688.65	204.31	129.03	96.99	42.41	48.41	182.70	104.24	75.36
2004 P										
Crude Steel	1047.03	778.22	268.82	114.63	112.42	63.81	111.68	222.26	106.84	46.57
HRB _{EQ} Deliveries	492.91	411.13	81.78	79.59	67.66	26.53	41.01	100.69	71.64	24.02
Net Semis Import	0.00	-1.98	1.98	8.67	-5.25	-7.90	-20.50	0.68	14.48	11.77
LP _{EQ} Deliveries	476.41	306.59	169.82	45.05	44.35	25.02	42.86	105.81	40.82	30.39
Total EQ deliveries	969.32	717.71	251.61	124.64	112.01	51.54	55.06	195.00	107.65	83.68
2005 F										
Crude Steel	1121.95	803.15	318.80	120.03	114.67	67.43	112.79	227.01	112.58	48.64
HRB _{EQ} Deliveries	531.90	426.27	105.63	84.41	69.01	26.97	41.35	101.93	74.50	28.11
Net Semis Import	0.00	-4.00	4.00	2.98	-5.25	-7.90	-20.50	0.68	14.48	11.77
LP _{EQ} Deliveries	497.71	316.46	181.25	47.27	44.54	26.47	43.49	79.73	43.01	31.95
Total EQ deliveries	1029.61	742.73	286.88	131.68	113.55	53.44	84.84	181.66	117.51	60.06

Source: WSD estimates.

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Regional steel production, LP_{EQ} and HRB_{EQ} Apparent Consumption and net semis trade (million metric tonnes)

	World	World excl. China	China	N. America	Japan	S.America	CIS	Europe	Other Major Asia	Rest of World
1999										
Crude Steel	788.48	664.55	123.92	113.66	94.19	51.01	86.16	197.86	88.95	32.73
HRB _{EQ} ASC	376.50	335.32	41.17	84.35	35.71	17.24	9.66	99.80	49.90	38.67
Net Semis Import	0.00	-0.39	0.39	8.01	-2.30	-6.70	-21.69	1.15	10.96	10.23
LP _{EQ} ASC	333.83	251.03	82.80	49.55	32.46	19.11	17.01	66.82	33.23	32.86
Total EQ ASC	710.32	586.35	123.97	133.91	68.16	36.35	26.67	166.62	83.13	71.53
2000										
Crude Steel	848.98	720.48	128.50	118.40	106.44	56.03	99.00	210.00	94.00	36.62
HRB _{EQ} ASC	415.29	368.08	47.21	90.32	39.35	20.23	13.72	105.31	53.31	45.83
Net Semis Import	0.00	-0.41	0.41	7.78	-1.48	-6.04	-21.07	0.54	11.93	7.93
LP _{EQ} ASC	350.91	271.83	79.07	50.48	37.03	22.35	22.76	68.87	35.95	34.39
Total EQ ASC	766.20	639.91	126.29	140.80	76.39	42.59	36.48	174.19	89.26	80.22
2001										
Crude Steel	851.02	699.39	151.63	105.38	102.87	51.85	100.14	204.62	95.44	39.09
HRB _{EQ} ASC	401.97	349.00	52.96	79.11	38.45	19.64	15.70	99.39	50.68	46.04
Net Semis Import	0.00	-5.47	5.47	5.90	-3.04	-6.22	-21.15	0.44	8.42	10.19
LP _{EQ} ASC	368.27	266.25	102.02	40.54	35.09	19.96	22.73	70.24	37.17	40.52
Total EQ ASC	770.23	615.25	154.98	119.65	73.54	39.59	38.43	169.63	87.85	86.56
2002										
Crude Steel	903.73	721.48	182.25	107.59	107.75	56.26	101.61	206.87	99.96	41.45
HRB _{EQ} ASC	430.61	361.18	69.43	81.05	36.70	20.13	19.57	103.68	56.36	43.69
Net Semis Import	0.00	-3.27	3.27	8.67	-5.25	-7.90	-22.29	0.68	14.48	11.77
LP _{EQ} ASC	394.23	276.65	117.58	44.26	34.42	20.39	21.02	67.23	44.93	44.40
Total EQ ASC	824.84	637.83	187.01	125.32	71.12	40.53	40.59	170.90	101.30	88.09
2003										
Crude Steel	967.93	747.82	220.12	109.57	110.51	59.61	108.00	212.02	104.55	43.56
HRB _{EQ} ASC	461.08	368.37	92.71	77.51	40.88	22.30	23.15	111.13	59.26	34.14
Net Semis Import	0.00	-4.43	4.43	8.67	-5.25	-7.90	-20.50	0.68	14.48	11.77
LP _{EQ} ASC	431.89	287.21	144.67	51.53	32.55	20.12	25.26	71.56	44.98	41.22
Total EQ ASC	892.96	655.58	237.38	129.03	73.43	42.41	48.41	182.70	104.24	75.36
2004 P										
Crude Steel	1047.03	778.22	268.82	114.63	112.42	63.81	111.68	222.26	106.84	46.57
HRB _{EQ} ASC	495.86	397.23	98.63	87.26	42.13	24.78	27.28	119.28	61.89	34.61
Net Semis Import	0.00	-1.98	1.98	8.67	-5.25	-7.90	-20.50	0.68	14.48	11.77
LP _{EQ} ASC	470.67	307.63	163.04	52.39	35.40	21.51	27.77	75.72	45.76	49.07
Total EQ ASC	966.54	704.87	261.67	139.65	77.53	46.30	55.06	195.00	107.65	83.68
2005 F										
Crude Steel	1121.95	803.15	318.80	120.03	114.67	67.43	112.79	227.01	112.58	48.64
HRB _{EQ} ASC	531.47	420.02	111.88	89.13	43.31	25.26	27.87	121.99	64.03	48.00
Net Semis Import	0.00	8.67	4.00	-5.25	-7.90	-20.50	0.68	14.48	11.77	0.00
LP _{EQ} ASC	494.38	319.38	178.33	54.54	36.40	22.63	28.60	76.89	47.90	49.07
Total EQ ASC	1025.85	735.63	290.22	143.68	79.71	47.89	56.46	198.88	111.93	97.07

Source: WSD estimates.

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Factors adding to the steel mills' downside risk in 2005 include: a) only good order entry for the USA steel mills at present; b) a buyers' strike in Western Europe, with at least one mill at present having reduced its hot-rolled band spot quote to less than 500 Euros (or \$665) per tonne versus 520-525 Euros for most others; c) no diminishment in steel export offerings from China (especially at high steel prices); d) sharply rising global steelmaking and rolling mill capacity due to the surge of capital spending now inside and outside of China; e) the incredible rise in Chinese steel output to a level probably in excess of demand; f) a less strong global economy for whatever the reason (including perhaps higher oil prices or rising interest rates); and g) oversupply in the Chinese steel industry by the spring due to prodigious capacity increases (as the mills are forced to pare back their export offerings due to lower prices on the world market).

WSD has observed over the past 44 years that shortages are price spikes that rarely last more than 18 months. Shortages often end without much warning because, during the shortage, apparent demand is pushed up by a buyers' panic. Buyers place double and triple orders. *(Note: It is shifts in buyers' inventory intentions, not underlying demand, that usually drive world steel export prices up and down.)*

What developments might prolong the steel shortage this year?

1. Global steel production is constrained by a tight supply of steelmakers' metallics and coking coal (but not coke). More specifically:
 - Non-Chinese output in the next six months does not rise much above the 802 million tonne seasonally adjusted and annual rate (SAAR) reached in November 2004. SAAR output in November 2003 was 761 million tonnes. *(Note: In contrast, WSD expects that non-Chinese steel output by mid-2005 will have risen to at least 825 million tonnes.)*
 - Chinese steel output does not rise much above the 305 million tonnes annual rate achieved in November 2004. In comparison, annualized output was 250 million tonnes in November 2003 and only 220 million tonnes for all of 2003.
2. Global steel demand rises sharply. WSD's "good case" estimate is that demand in 2005 will rise by about 6% after an estimated 7.6% rise in 2004. If so, more steel production will be needed to satisfy demand, and the supply/demand balance for steelmakers' raw materials would remain tight. *(Note: A key to this scenario is the extent of the further growth of fixed asset investment in China. If it rises by 20% in 2005, steel demand in China may increase a further 10% or more.)*
3. Global steel production rises sufficiently to "blow out" the system that supplies steelmakers' raw materials. Steel scrap prices are pushed up (pulled up) to new highs. Ocean freight rates, currently falling sharply, remain lofty. As a consequence, steel buyers decide that this is not the time to reduce steel inventories even though steel prices are elevated. *(Note: High steel scrap prices are a strong indication that the global steel supply/demand balance is tight.)*

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Hence, high scrap prices = pricing power in the hands of the steel mills = high profits for the steel mills.)

Cons and pros for 2005

Possible negatives for the steel mills in 2005:

- New orders for steel sheet products for many steelmakers in the USA and Western Europe, which as of late 2004 were only good, but not great, don't rise sufficiently to give the mills very extended order backlogs as the first quarter ends. Historically, if the mills' order backlogs are not massive at the end of the first quarter, the year usually becomes a very difficult one for them.
- World export prices for steel sheet products start to decline sharply after the first quarter. WSD places the hot-rolled band export price for Tier I mills at present at about \$575 per tonne, down from a month ago of about \$600 per tonne.
- Integrated steelmakers' costs surge significantly in early 2005 in most cases due to the huge increases in international coking coal (up to \$125 per tonne from \$57 per tonne) and iron ore prices (probably up at 25-35%).
- Chinese hot-rolled band capacity (the average of the figure at the start and the end of the year) surges by 21 million tonnes in 2005 to 108 million tonnes, after gains of 15 million tonnes in 2004 and 12 million tonnes in 2003. Moreover, a further increase in 2006 of 23 million tonnes is forecast by WSD's Liu Jinghai (former director of China's Metallurgical Information Center).
- Steel buyers go on strike. They simply refuse to pay such high prices for steel. In Western Europe, steel buyers are currently suffering from "Euro shock" – with extremely high prices on a U.S. dollar basis with the Euro at 1.33 dollars. A price of 550 Euros for hot-rolled band no longer is being anticipated – with the current figure at 520-525 Euros.
- The weak U.S. dollar promotes a rise in global commodity prices, rising interest rates and higher inflation rates.
- Slab buyers are squeezed as the price holds up better than the price of the finished products they are making from the slab.

Possible positive developments for the mills in 2005 include:

- In the one-year contract markets, steel sheet prices rise sharply in North America, Europe and Japan based on contracts worked out in the latter months of 2004. In the USA, the automotive companies in 2005, based on new and renegotiated contracts, may be paying an additional \$175-200 per net ton.

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- The Chinese economy keeps surging due to another 15-20% gain in fixed asset investment (FAI). As long as consumer price inflation stays at or below 5% (which seems to be likely in the next six months since rice prices have stabilized after a 30-50% rise last year), Chinese policymakers will continue to boost sharply the loans that are used for construction and capital spending projects. *(Note: FAI in 2005 may rise to close to 50% of GDP, which would be one of the highest figures for any large country in the history of the world.)*
- Chinese Central Government policymakers take actions to: a) encourage merger activity in their steel industry; b) further restrain capital outlays in the steel industry; and c) restrict steel exports once world steel export prices have dropped substantially.
- Concentration among steel companies globally occurs at a frenetic pace. The mills have the “currency” to engage in M&A activity since they are generating excess cash and their common stocks are up sharply in value. M&A activity is on the minds of most steel executives. Increased concentration increases their “pricing power” with large buyers. The “urge to merge” remains a potent force.
- Steel scrap prices, although volatile, remain at lofty levels. As noted earlier, it’s hard to imagine a sizable decline in steel prices if scrap prices are high. Scrap prices may spike up twice more in 2005, after three spikes in 2004.
- The Chinese RMB appreciates in value. At some point this year, it rises to 7.0-7.5 per U.S. dollar versus the 8.28 per U.S. dollar that has been in effect since 1997. Such a development would lessen the Chinese mills’ ability to sustain their steel exports.
- Global inflation does not rise significantly despite the weak U.S. dollar and high oil prices. As a result, increases in interest rates are fairly restrained.
- Even though world steel export prices may decline sharply after the first quarter, the decline is less severe than during 1995, 1999 and 2001, when pricing “death spirals” occurred. *(Note: The word “death” in death spiral implies that marginal suppliers are forced to cut back output, with some driven permanently from the business.)*
- In home-country markets, steel sheet prices hold up better – i.e., they are “stickier” on the downside – than in most prior downturns. Prices are “sticky” because of more concentration in the industry, still-high raw material prices, no sizable excess inventory in the hands of steel buyers, rising global steel demand and few groups that are positioned to export at ultra-low prices. There is no major devaluation of the currency of any sizable steel-exporting region.

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Indicators to watch

Here are some of the indicators WSD will be closely monitoring in the weeks ahead:

- **Chinese domestic spot steel sheet prices.** These prices are even more sensitive than before because the Chinese steel mills are now becoming significant steel sheet exporters.

In the past two months, cold-rolled coil prices in China, FOB the steel plant, have risen to 6,300 RMB from 5,500 RMB per tonne (\$550 to \$635 per tonne FOB the steel plant prior to the value-added tax and shipping expenses to the market), while hot-rolled band is up to 5,200RMB from 4,700 RMB per tonne (\$475 to \$525 per tonne). Hence, the current spread between hot- and cold-rolled coil is about \$110 per tonne. As long as the “spread” between these products is so wide and cold-rolled coil prices are flat, it’s hard to imagine that hot-rolled band prices will weaken. The Minmetals’ Relative Steel Product Strength Index, which is provided exclusively to WSD, indicates that cold-rolled coil has been the relatively strongest steel product on a pricing basis in China for the past 16 weeks.

- **Global steel production trends .** Even though steelmakers’ raw material prices are high, WSD suspects that there will be enough availability of raw materials for steel production to continue to rise sharply.
- **Steel slab prices on the world market.** The price of this product, still lofty at about \$525 per tonne, FOB the port of export, but apparently no longer rising in price, is a good indicator of the changing supply/demand balance for steel sheet products. Currently, the price of slab is only about \$50 per tonne below the export price for hot-rolled band, which is a strong demonstration that the global steel industry is constrained at its primary end.
- **News coming out of China.** Will the Central Government’s policymakers decide to boost the value of the RMB? Will they promote M&A in the domestic industry? Will fixed asset investment surge 15-20% this year? Will the long product market continue to lag the steel sheet market, with prices so low that many of the smaller mills cannot be profitable?
- **Pricing developments in the USA.** Will the USA steel industry lead the industry up? Will it drag it down? Will sharply rising imports of wire rod bring down the domestic price? What might this mean for other products?

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Relative Strength Rankings for Chinese Domestic Steel Products

("1" represents the relatively strongest and "9" represents the relatively weakest product)

Ranking 12/30/04	Product	Ranking 12/15/04	Ranking 11/26/04	Ranking 11/12/04	Ranking 10/27/04	Ranking 10/15/04	Ranking 09/30/04	Ranking 09/17/04	Ranking 08/11/04
1	CRC	1	1	1	1	1	1	1	3
2	HRB	2	2	2	5	3	3	2	1
3	Coated	3	3	3	3	4	6	7	9
4	Slab	5	5	4	2	2	2	6	2
5	Galvanized	4	4	5	4	5	7	3	8
6	Plate	6	9	8	7	9	8	5	4
7	Billet	7	8	6	6	6	4	4	6
8	Rebar	8	6	7	8	8	9	9	7
9	Wire Rod	9	7	9	9	7	5	8	5

Source: Minmetals Steel Co., Ltd.

“A “New Age” for the Steel Industry

Is the steel industry growing older or younger in this new age? Here are some of the vital signs – i.e., the ages to be considered – as we seek to answer this question:

1. The “Age of Discontinuity.” It is leading the industry into the next continuum.
2. The “Age of Steelmakers’ Metallics.” It includes sizable “economic rent” for suppliers of steelmakers’ raw materials.
3. The “Age of Global Chinese Steelmakers.” The Chinese have joined the International Iron & Steel Institute (IISI). They will next become more involved in mergers and acquisitions with non-Chinese companies.
4. The “Age of Concentration.” The structure of the steel sheet industry will grow more oligopolistic.
5. The “Age of the Weak U.S. Dollar” versus European, CIS and Asian currencies (including the Chinese RMB).
6. The “Age of Revolutionary Technologies” in which: a) iron is extracted from the iron ore without using coke; b) there are more continuous rolling processes; and c) better quality products are made at a cost close to that for commodity grades.
7. Perhaps, the “Age of Improved Profitability” over the cycle for many steel companies.

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What Conditions Are Needed for Global Steel Mills to Generate Good Profits?

Condition	Likelihood	Comment
1. The steel industry's "age of metallics" lives on. Tight supplies of raw materials occur when global steel demand growth is only moderate.*	75%	Just 3.0% per annum global steel demand growth produces huge requirements for steelmakers' raw materials in the years ahead.
2. Good global steel demand growth.	75%	Key to the outlook is the global inflation rate. If inflation – and interest rates - remain low, economic growth should be substantial and steel demand should expand 2.5-3.0% per year even granted a far lower growth rate for Chinese steel demand.
3. Concentration among steel mills increases. The number of mega-sized steelmakers continues to rise. There is far more merger and acquisition activity.	100%	Many steel mill CEOs have the "urge to merge." In sheet, most home country markets have just a few producers. The greater the concentration, the "stickier" on the downside are likely to be domestic sheet prices when world export prices are falling.
4. Chinese governmental officials take actions to boost the profitability of the government-owned steel mills.	85%	WSD expects Central Government policymakers to encourage domestic mills to consolidate, to restrict capital outlays and limit their exports when world export prices have fallen below the mills' production costs.
5. The Chinese renminbi (RMB) appreciates in value.	95%	A far stronger RMB seems probable, with the only question being "when?" Factors working to increase the value of the RMB include: a) the massive weakness of the RMB versus the Euro in 2004 (since it is pegged to the U.S. dollar); b) China's ongoing trade surplus; and c) reduced inflationary pressures when the currency is stronger.
6. Steel mills enjoy a higher proportion of good and boom years than in the past.	75%	Of the past 20 years, about 20% were in the "good" and "boom" category. In the next 10-15 years, WSD estimates that perhaps 40% of the years will be in this category. WSD assumes that the share of the cycle is as follows: Shake out times at 5%; bad times at 25%; average times at 30%, good times at 30% and boom (shortage) times at 10%.

*Key point: The "age of metallics" is an essential requirement because, due to surging profits, steel mills' capital outlays outside of China will rise sharply in the next few years. Steelmaking and finishing capacity will rise substantially during 2005-2007. If the industry is not restrained at the primary end, and unless steel demand growth is much more than expected, sizable oversupply will develop.

WORLDSTEELDYNAMICS

World Steel Product Export Prices Over the Cycle: 2005-2015

(Dollars per metric tonne, F.O.B. the port of export, for Tier I mills)

Part of Cycle	% Share	----- F. O.B. Western Europe or Far East Port -----							
		Slab	HRBand	CRCoil	Galv. Coil	Plate	Billet	Rebar	Wire Rod (Mesh)
Shake-out Times	5%	230	280	340	390	340	200	250	260
Bad Times	25%	270	330	390	450	380	240	290	300
Average Times	30%	320	380	450	520	430	270	330	340
Good Times	30%	380	450	530	610	490	310	370	380
Boom Times	10%	480	550	640	730	590	350	450	460
Weighted Avg. Over Cycle	100%	337	401	473	544	447	279	340	350
<i>Price as of 12/04</i>		<i>520</i>	<i>600</i>	<i>690</i>	<i>730</i>	<i>700</i>	<i>400</i>	<i>515</i>	<i>530</i>

World Steelmakers' Metallics Export Price Forecast Over the Cycle: 2005-2015

Dollars per metric tonne

Part of Cycle	% Share	USA	USA	Chinese Coke	----- Brazilian -----		Freight Cost#	DRI FOB	Pig Iron FOB
		#1 HM Scrap* (Delivered)	Automotive Bundles*		Iron Ore Fines**	Pellets**			
Shake-out Times	5%	130	160	130	23.00	42.00	6	140	150
Bad Times	25%	150	190	150	25.00	45.00	8	170	180
Average Times	30%	180	220	180	27.00	48.00	10	200	210
Good Times	30%	200	280	200	29.00	48.00	15	240	250
Boom Times	10%	240	380	240	30.00	51.00	20	330	340
Weighted Avg. Over Cycle	100%	182	244	182	27.20	47.25	12	215	225
<i>Price as of 12/04</i>		<i>195</i>	<i>415</i>	<i>275</i>	<i>24.00</i>	<i>41.00</i>	<i>22</i>	<i>300</i>	<i>325</i>

* Delivered to steel plants. ** For blast furnaces. # Brazil to Rotterdam.

World Steel Price Spreads Over the Cycle: 2005-2015

Dollars per metric tonne

Part of Cycle	% Share	Slab-Pig	HRB-Slab	CRC-HRB	Galv-CRC	Plate-Slab	Bil-#1HM	Reb-Bil	WR-Bil
Shake-out Times	5%	80	50	60	50	110	70	50	60
Bad Times	25%	90	60	60	60	110	90	50	60
Average Times	30%	110	60	70	70	110	90	60	70
Good Times	30%	130	70	80	80	110	110	60	70
Boom Times	10%	140	70	90	90	110	110	100	110
Weighted Avg. Over Cycle	100%	113	64	72	72	110	97	61	71
<i>Price as of 12/04</i>		<i>195</i>	<i>80</i>	<i>90</i>	<i>40</i>	<i>180</i>	<i>205</i>	<i>320</i>	<i>335</i>

WORLDSTEELDYNAMICS

New Events in the Past 18 Months

What Happened in the Past 18 Months?	More specifically...	Implication for 2005
Steel sheet export prices bottomed out in mid-2003 at surprisingly high levels.	Rising prices for steelmakers' raw materials, including coke, apparently prevented a more sizable decline of steel prices on the world market. This development, in fact, was a strong indicator of the forthcoming change in industry conditions.	The same phenomenon may occur in the summer of 2005.
Steel's "age of metallics" begins.	Steelmakers' metallics prices surged starting in the fall of 2003.	"Pricing power" is in the hands of international providers of coking coal, coke, iron ore and steel scrap.
Chinese steel production surged at an amazing rate.	Chinese output rose from 182 million tonnes in 2002 to 250 million tonnes annualized in November 2003, and to 305 million tonnes annualized in November 2004.	It now appears that output in 2005 may rise to 320 million tonnes.
Steel production outside of China also rose sharply.	Versus non-Chinese output for all of 2002 of 722 million tonnes, annualized output rose to 760 million tonnes in November 2003 and 802 million tonnes in Nov. 2004.	Output rises to 820 million tonnes by mid-2005 as the mills are successful in de-bottlenecking.
The U.S. dollar weakened sharply versus the Euro.	Versus the dollar at \$0.90 per Euro in November 2002, and the strongest point at \$0.84 per Euro in June 2002, the U.S. dollar was priced at \$1.36 per Euro in late-December 2004.	The U.S. dollar weakens to about \$1.40 per Euro.
USA apparent steel demand strengthened substantially in 2004.	Versus apparent consumption of 116 million net tons in 2003, the figure for 2004 rose to 133 million tons (possibly including 4 million tons of user inventory accumulations).	Apparent demand is flat at about 132 million tons. Users liquidate little inventory (which is at record levels on a dollar value basis, but not that high on a tonnage basis).

WORLDSTEELDYNAMICS

What Happened in the Past 18 Months?	More Specifically...	Implications for 2005
Steel scrap prices surged three times in 2004.	The decline in scrap prices after the third spike in 2004 – as of mid-December 2004 – was less severe than that after the first two spikes. The second and third steel scrap price spikes in 2004 demonstrated that obsolete steel scrap recovery, notwithstanding the price spikes, had not risen enormously.	Granted that global steel production in 2005 rises to about 1.12 billion tonnes, versus 968 million tonnes in 2003 (and a seasonally-adjusted annual rate of 1.10 billion tonnes in November 2004), it seems likely that steel scrap prices in 2005 may be about as high as in 2004.
China became a <u>net</u> exporter of steel products.	In November 2004, China was a net <u>exporter</u> of 12 million tonnes on an annualized basis. In November 2003, it was a net <u>importer</u> of 35 million tonnes on an annualized basis.	China in 2005 may be a net <u>exporter</u> of about 10 million tonnes. <i>(Note: It is really quite amazing that, as of December 2004, despite the adverse 45 million tonne swing in Chinese net imports in the prior year, the global steel market was still tight.)</i>
Chinese steel mills lost their access to cheap domestic raw materials. Costs skyrocketed.	During 2004, Chinese spot prices for domestic coking coal, coke and iron ore all rose sharply.	No sizable relief expected for coking coal or iron ore in 2005 – and, in fact, the years thereafter. The evidence is persuasive that China does not have abundant good quality reserves of these materials.
Chinese coke prices surged to amazing heights on the world export market.	Chinese coke export prices, which were only about \$60 per tonne in early 2002, FOB the port of export, surged to \$450 per tonne in February 2004. The December 2004 price was about \$275 per tonne.	Chinese coke exports may again be about 15 million tonnes. The average price may be about \$250 per tonne. Huge gains in Chinese cokemaking capacity by 2006 are expected to end the period of tight supplies for Chinese coke. Some Chinese cokemakers think that the government may abandon its export licensing system in 2006.
Spot coking coal prices rose explosively on the world market in 2004, with huge increases booked by the coal companies in early 2005.	Coking coal prices in the spot international and USA markets surged during 2004.	International steelmakers may pay about \$125 per tonne for coking coal, FOB the port of export, in 2005 versus about \$57 per tonne in 2004. <i>(Note: It takes about 0.5 tonnes of coking coal for an integrated steel mill to ship 1.0 tonnes of finished steel products.)</i>

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What Happened in the Past 18 Months?	More Specifically...	Implications for 2005
Iron ore prices surged in China and globally.	Indian and Chinese spot iron ore prices rose above Australian and Brazilian prices. At the same time, because of the surge in ocean freight rates, Brazilian ore prices delivered to China have been \$18-20 per tonne above those from Australia.	Brazilian and Australian iron ore suppliers may obtain 20-35% price boosts for 2005 delivery. <i>(Note: It takes about 1.6 tonnes of iron ore for an integrated steel mill to ship 1.0 tonnes of finished steel products.)</i>
Mergers and acquisition activity took off.	Many key combinations occurred in 2004.	M&A activity expected to be even more pronounced in 2005, with Chinese steel mills getting into the act.
The Chinese RMB remained stable versus the U.S. dollar.	However, the RMB weakened versus the Euro, because the U.S. dollar weakened.	The RMB rises to 7.0 to 7.7 per U.S. dollar versus the 8.28 figure that has been in effect since 1997.
The Chinese steel industry encountered an array of infrastructure-related restrictions. Limits included rail car availability, water, electricity and ports.	Given the wide array of constraints, it is amazing to WSD that Chinese steel production in November 2004 rose to an annual rate of 305 million tonnes versus output in 2003 of only 220 million tonnes. Perhaps the easing of electricity shortages after the summer was an important factor.	The extent to which infrastructure problems will go away is hard to tell. Rising economic activity, for example, will keep the railroads busy carrying steam coal to the electric power plants.
World export prices surged to the greatest premiums to home country prices since 1973-75.	In 1973-75, the “driving force” was a surge in inflationary expectations. In 2003-2004, it was shortages of steelmakers’ raw materials.	After a possible price spike for hot-rolled band to record levels in the first quarter of 2005, lower prices are expected thereafter by WSD.
The Indian and CIS economies grew at high rates.	The Chinese economic growth formula spread to other parts of the world. Offshore funds flowed to those countries with low-priced and skilled workers.	Economic expansion in 2005 is sizable in India, the CIS, the Middle East and South America, and expected to continue well into the future.
Oil prices surged.	Oil prices rose to \$56 per barrel on October 22, 2004 versus the average price of \$31 per barrel in 2003.	The oil price remains in the \$40-50 per barrel range, although oil prices are hard to forecast. A higher price might retard global economic activity; a lower one would promote it due to less inflationary pressures.
Natural gas prices rose to very elevated levels in North America.	The USA price of natural gas was \$7.23 per million cubic feet (mcf) in December 2004 versus \$6.47 per mcf in Dec. 2003.	WSD assumes, for want of a better assumption, that natural gas prices in 2005 will be little changed from those in 2004.

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What Happened in the Past 18 Months?	More Specifically...	Implications for 2005
Low residual (from automotive plants) steel scrap rose to huge premiums versus those for the standard obsolete grades.	In the past, in boom times, automotive bundles would sell at a \$25 per gross ton premium to #1 heavy melting (obsolete) steel scrap. In 2004, they rose to about a \$90 per ton premium.	Assuming that global steel production rises to record levels in 2005, low residual steel scrap is expected to continue to sell at a major premium to the obsolete grades.
Western Europe no longer seemed to be a very favorable place for a steelmaker to be located.	The strong currency, rising competition from Eastern Europe steel mills, the shift of manufacturing industry to Eastern Europe, the “carbon tax” and only moderate economic growth were some of the problems.	Improved economic growth in 2005 may surprise, similar to the situation in Japan in 2004.
HBI prices surged to record heights.	The HBI export price, FOB Venezuela, peaked at \$380 per tonne in the fall of 2004, versus a low of only about \$70 per tonne in 2001.	The export price holds in the \$275-300 per tonne range in 2005.
Pig iron prices also surged on the world market.	The price reached a peak of about \$375 per tonne, FOB Brazil, versus a typical price over the years of about \$100 per tonne.	Prices also remain elevated reflecting the shortage of steelmakers’ metallics. <i>(Note: Steel scrap, HBI and pig iron prices move in tandem.)</i>
EBITDA for the <u>steel industry outside of China</u> surged to record levels.	EBITDA may amount to about \$90 billion in 2004 versus \$45 billion in 2003 and \$37 billion in 2002. The rise in EBITDA is about \$60 per tonne shipped.	EBITDA peaks in the first quarter and amounts to about \$75 billion for the year.
EBITDA for the <u>Chinese steel industry</u> surged to record levels.	EBITDA may amount to about \$23 billion in 2004 versus \$15 billion in 2003 and \$10 billion in 2002.	EBITDA peaks in the first quarter and amounts to about \$20 billion for the year.

WORLDSTEELDYNAMICS

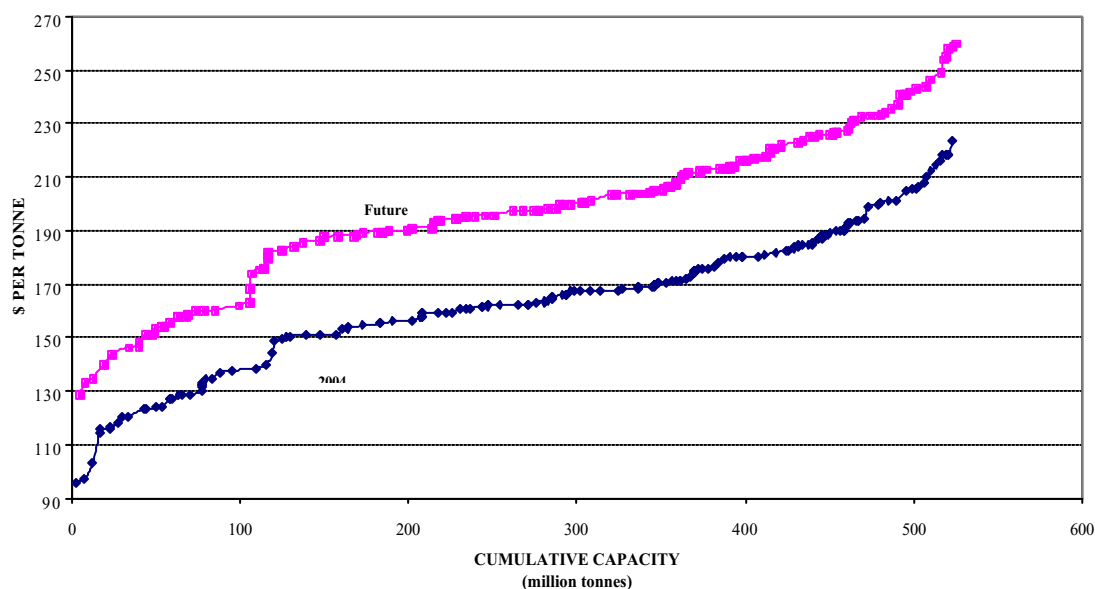
What Happened in the Past 18 Months?	More Specifically...	Implications for 2005
Capital outlays by steel mills outside of China rose sharply.	Capital outlays rose to about \$25 billion versus \$17 billion in 2003.	Capital outlays surge to about \$50 billion, with another high level of outlays likely in 2006. <i>(Note: Capital outlays tend to lag cash flows by 1.0 to 1.5 years in the steel business.)</i>
Capital outlays by steel mills in China peaked in the first half of 2004	For the year, outlays were about \$21 billion, up from \$15 billion in 2003.	Outlays in 2005 are expected to be about \$15 billion.
The “urge to merge” among steelmakers became a potent force.	The formation of Arcelor in 2002, and Arcelor’s actions to hold down production (and better sustain home-country prices in 2003) were one of the major stimuli for merger and acquisition activity. Of course, the key development was the availability of steel company assets at low prices.	Major consolidation developments are expected—particularly in North America and China.
Russian mills had little trouble borrowing funds on a Eurobond basis.	The weak currency and surging home market demand permitted the mills to generate huge profits. Debt was reduced to only moderate levels. The leading mills tended to own their raw material sources.	The three major Russian steel mills – Severstal, Novolipetsk and Magnitogorsk (still being privatized) are all likely to be involved in further M&A activity.
Russian steelmaker Mechel was listed on the New York Stock Exchange.	The ADR stock was listed on October 29, 2004. Its common stock market value was \$3.1 billion as of December 2004.	Its success will no doubt encourage other Russian companies to take similar actions.
The pricing “surcharge” mechanism became widely used (and accepted).	Steel mills’ costs rose so rapidly that they needed some quick relief. Steel buyers found it hard to not accept the “surcharge” approach.	More steel mills globally talk about a “pass through” of raw material costs. As heard at the MB/WSD Steel Success Strategies Europe conference in Paris in December, this concept was promoted by Guy Dollé, Chairman of Arcelor, and Wilbur Ross, Chairman of International Steel Group.
Steel prices showed just as steep a slope on the upside as on the downside.	Traditionally, prices fall more rapidly than they rise. This time the mills were desperate to raise prices because of surging costs.	Prices on the world market seem likely to bottom out at higher-than-historic levels.

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What Happened in the Past 18 Months?	More Specifically...	Implications for 2005
Steel sheet prices rose to record levels in China at the end of 2004.	The price of 3-mm-thick hot-rolled band in the Shanghai market rose to 5,000 RMB per tonne in December 2004 versus 4,000 RMB per tonne in December 2003. When adjusting for the 17% value added tax and 100 RMB/tonne of delivery costs to the market, the prices were \$504 and \$401 per tonne, respectively.	Prices may surge to 6,000 RMB per tonne in the first quarter of 2005 (about \$600 per tonne, after adjustments), which alarms Chinese policymakers. Then, the price may fall to 4,000 RMB per tonne by the summer, or about \$400 per tonne.
Chinese policymakers took an array of actions to better control an “overheated” steel industry.	In March (April), loan availability to the steel, cement, aluminum (automotive) and real estate sectors was cut sharply. Mid- and smaller-sized steel mills felt the pinch the most. The large government-owned companies had already received approval for their capital spending programs and loan activity.	Chinese policymakers work to shut down the remaining highly polluting coke plants. Loan availability for new projects remains selective, although less restrictive than in the spring of 2004. Central government policies towards the steel industry remain a strong influence on provincial policies.
Steel mills’ costs surged sharply – breaking the 20-year string from the early 1980s when costs were largely controlled from year to year.	From the spring of 2002 to late 2004, the operating cost to produce hot-rolled band for a typical integrated steel mill, excluding any impact from foreign exchange rate shifts, rose about \$110 per tonne.	Many integrated mills’ costs rise a further \$35 per tonne once they are burdened with higher international iron ore and coking coal prices.
In the USA, the huge cost advantage for the mini-sheet mills turned into a disadvantage.	From 2002 to the fall of 2004, a mini-sheet mills’ full operating cost to produce hot-rolled band rose from \$225 to \$475 per <u>net</u> ton. For a low cost integrated mill, including the benefits of sizable cost cutting efforts, the rise was from \$275 to \$375 per net ton.	With steelmakers’ metallics prices remaining relatively high in 2005, but lower than in 2004, the better situated major steel plants maintain some cost advantage.

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WSD Sheet Products World Cost Curve
Blast Furnace Cost Through Stage
2004 versus Possible Near-Term High Cost



The Urge to Merge

The exhibit “The Urge to Merge II,” is WSD’s second listing of steel mill consolidators (11 of them) and acquirees (45 of them). Then, we place all companies in only one of just nine groups. This forecast of possible combinations, of course, is highly theoretical and speculative. Nevertheless, to some extent it probably portrays the merger machinations going through the minds of top steel company executives and the investment bankers, the world over.

Changes since our first “Urge to Merge” exhibit include the following:

- Erdemir is acquired by Arcelor. At least three other groups – Mittal Steel, U.S. Steel and Severstal – have expressed an interest in Erdemir.
- Commercial Metals (CMC) of the USA, which is added to the list, is placed under the consolidator category – although we add it to Arcelor in our determination to have only nine final entities.
- Other companies added to the list include, California Steel Industries, which we have placed in the Mittal Steel Group, and Ipsco, which we have becoming part of the POSCO group.

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The Urge To Merge II

Consolidators (Principal locations noted)	Million tonnes		Acquirees	Million tonnes	
Mittal Steel (Global)	58	☆	Corus (UK, Netherlands)	19	☆
Arcelor (EU)	43	☆	ThyssenKrupp* (Germany)	16	☆
Nippon Steel (Japan)	31	☆	Riva (Italy)	16	
JFE (Japan)	30	☆	Ukrainian mills (various)	16	
POSCO (S. Korea)	29	☆	Evrast Holding (Russia)	14	
BaoSteel (China)	20	☆	SAIL (India)	12	
Nucor (USA)	19	☆	Sumitomo Metals (Japan)	12	
US Steel (USA, Eastern Europe)	18	☆	Magnitogorsk (Russia)	11	
Gerdau (Brazil, USA, Canada)	15	☆	China Steel (Taiwan)	11	☆
Severstal (Russia, USA)	12	☆	Shougang (China)	10	
Commerical Metals (USA)	5		Anshan (China)	10	☆
			Wuhan (China)	9	
			Novolipetsk (Russia)	9	
			INI Steel (S. Korea)	8	
			BlueScope (Australia)	8	☆
			Kobe Steel (Japan)	7	
			Benxi (China)	7	
			Schnitzer (USA)	7	
			Tangshan (China)	6	
			Maanshan (China)	8	☆
			CST (Brazil)	6	☆
			Viest Alpine (Austria)	6	
			Salzgitter (Germany)	6	
			Tata Steel (India)	5	☆
			Stelco (Canada)	5	
			Shagang (China)	5	☆
			Panzhuhua (China)	5	
			Handan (China)	5	
			Dofasco (Canada)	5	☆
			CSN (Brazil)	5	☆
			AK Steel (USA)	5	
			Usiminas (Brazil)	5	
			Erdemir (Turkey)	5	
			Rautaruukki (Finland)	5	
			Steel Dynamics (USA)	4	☆
			SSAB (Sweden)	4	
			SIDOR (Venezuela)	4	
			Siderar (Argentina)	4	
			Tokyo Steel (Japan)	4	
			Ipsco (Canada)	4	
			California Steel Ind. (USA)	3	
			Hylsamex (Mexico)	3	
			Grupo IMSA (Mexico)	3	
			Algoma (Canada)	3	
			OneSteel (Australia)	3	
Total	280				

THE RACE TO BE KING 9 Theoretical Combinations	Million tonnes
Mittal Steel , Wuhan, SAIL, Usiminas, Evraz, Ukrainian mill, California Steel	105
Arcelor , CST, Corus, Anshan, Benxi, Dofasco, Erdemir, CMC, Ukrainian mill	104
Posco , ThyssenKrupp, Magnitogorsk, Shagang, Ipsco, China Steel	76
Nippon Steel , Panzhihua, Rautaruukki, Salzgitter, Algoma, SIDOR, BlueScope	62
JFE , Riva, AK Steel, CSN, Handan	61
US Steel , Severstal , Maanshan, Stelco, Kobe, Siderar, Ukrainian mill	59
BaoSteel , Novolipetsk, Shougang, Sumitomo Metals, SSAB, Ukrainian mill	59
Gerdau , Tata, OneSteel, Tangshan, VoestAlpine, INI	42
Nucor [#] , SDI, Hylsamex, IMSA, Tokyo Steel, Schnitzer	40
Total	608
Total global shipments	900

☆ "World-Class" steelmaker as designated by WSD

* Possible consolidator

Nucor may obtain partial ownership in many companies as it helps them to implement its Castrip (liquid steel to thin-gauge hot-rolled band) process.

(Note: All of the major Chinese mills are likely acquirers of mid-sized mills in their country.)

WORLDSTEELDYNAMICS

Global steel “metrics” for 2004 and 2005

In this section, we provide WSD’s “most likely” scenario for monthly global steel production and a host of related items for 2004 and 2005. On balance, our figures for 2005 should be considered a “good case” scenario for the global steel industry:

- Global crude steel production increases 7% to about 1,122 million tonnes versus 1,047 million tonnes in 2004.
- Steel production in China surges 19% to 319 million tonnes versus 269 million tonnes in 2004; however, the figure is only 5% above the annualized figure for China of 305 million tonnes in November 2004.
- Steel production outside of China rises by 3% to 803 million tonnes.
- Chinese steel demand surges again in 2005 – about 11% – because there is no let-up in the 18%+ per annum growth in fixed asset investment in the country.
- Steel demand outside of China also rises considerably – about 4% – in part because it ends 2005 at a much stronger level than the average for the year.
- China in 2005 is a net exporter of long steel products and semis. However, it remains a net importer of steel sheet (hot-rolled band equivalent) products, although to a lesser extent than in 2004.

Regions with the largest gains in apparent steel consumption in 2004 are CIS at 14%, China at 11%, South America at 10% and North America at 8%. In 2005, only China seems likely to have a double-digit rise in apparent demand in part because steel buyers were liquidating inventory in the second half of 2004.

Apparent Steel Consumption 2004-2005 Outlook (HRB_{EQ} and LP_{EQ} basis*)

Region	ASC 2004		ASC 2005	
	Million Tonnes	Y/Y Change	Million Tonnes	Y/Y Change
China	262	11%	290	11%
N. America	140	8%	144	3%
Japan	77	6%	80	4%
S. America	46	10%	48	4%
CIS	55	14%	57	4%
Europe	195	7%	199	2%
Other Major Asia	108	4%	112	4%
Global Total	967	8.3%	1005	3.9%

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(Note: WSD's "equivalent" steel shipment approach, which grosses up all deliveries to the first product stage after semis, overstates actual total industry deliveries by about 4%. We assume that the yield from "equivalent" products to crude steel is about 92.5%, while that from all finished product deliveries to crude steel may be about 89%. $92.5/89.0 = 1.039$)

The HRB_{EQ} category includes deliveries of hot-rolled sheet and strip, cold-rolled sheet and strip, galvanized steel, tinplate, coated products and welded pipe. The LP_{EQ} category includes all long products, plus plate and seamless pipe. For each product for many countries we have the actual production figures. When we don't have the actual figures, we make estimates to fill in the gaps.

Product output for each region is adjusted for net trade in semi-finished products. The import and export figures of steel product by country are obtained from the U.K.'s Iron & Steel Statistics Bureau (ISSB), which tracks the steel trade data as reported for most countries.

(Note: WSD's "early warning system" includes four reports: Global Steel Alert (GSA), Inside Track, Truth & Consequences and The Steel Thermometer. The GSA monthly analysis of global product shipments, imports, exports and apparent consumption is a critical part of the system.)

China Hot-Rolled Band Equivalent ASC and Related Items

(million tonnes, except percent)

Mid-case Forecast

Item	Crude Steel Production	HRB _{EQ} Product Output	Ratio: HRB _{EQ} to Crude	HRB _{EQ} Imports	HRB _{EQ} Exports	Apparent Steel Consumption	Net Imports	Net Imports vs. ASC	ASC Y-to-Y Change
CHINA									
1997	108.8	24.9	23%	7.9	1.9	30.9	6.0	19.4%	
1998	114.6	27.6	24%	7.4	1.3	33.7	6.1	18.0%	9.1%
1999	123.9	34.0	27%	11.2	1.6	43.6	9.5	21.9%	29.1%
2000	128.5	39.5	31%	12.7	2.4	49.7	10.2	20.6%	14.1%
2001	151.6	44.0	29%	13.1	1.5	55.6	11.6	20.8%	11.9%
2002	182.3	55.3	30%	18.9	1.6	72.7	17.3	23.8%	30.7%
2003	220.1	66.4	30%	28.5	2.1	92.7	26.4	28.4%	27.6%
11/2004p	305.4	83.3	27%	31.4	3.8	110.9	27.6	24.9%	
2004E	268.8	81.8	30%	22.5	5.4	98.9	17.1	17.3%	6.6%
2005E	319.0	106.0	33%	16.0	10.0	112.0	6.0	5.4%	13.3%
2006E	350.0	127.0	36%	7.0	13.0	121.0	(6.0)	-5.0%	8.0%

Growth Rate Per Annum

2000-2003	19.7%	18.9%		31.1%	-4.3%	23.1%		
2003-2004	22.1%	23.3%		-21.1%	153.5%	6.6%		
2004-2005	18.7%	29.6%		-28.9%	85.2%	13.3%		
2005-2006	9.7%	19.8%		-56.3%	30.0%	8.0%		

WORLDSTEELDYNAMICS

All but China Hot-Rolled Band Equivalent ASC and Related Items

(million tonnes, except percent)

Item	Crude Steel Production	HRB _{EQ} Product Output	Ratio: HRB _{EQ} to Crude	HRB _{EQ} Imports	HRB _{EQ} Exports	Apparent Steel Consumption	Net Imports	Net Imports vs. ASC	ASC Y-to-Y Change
All but China									
1997	690.0	344.5	50%	88.8	94.8	338.5	(6.0)	-1.8%	
1998	662.6	325.3	49%	91.8	97.8	319.2	(6.1)	-1.9%	-5.7%
1999	664.6	344.8	52%	98.6	108.1	335.3	(9.5)	-2.8%	5.0%
2000	720.5	378.3	53%	110.2	120.4	368.1	(10.2)	-2.8%	9.8%
2001	699.4	360.6	52%	99.9	111.4	349.0	(11.6)	-3.3%	-5.2%
2002	721.5	377.8	52%	99.5	116.9	360.5	(17.3)	-4.8%	3.3%
2003	747.8	393.9	53%	87.8	114.2	367.6	(26.4)	-7.2%	2.0%
11/2004P (SAAR)	779SAAR	399.2	51%	81.3	109.0	371.5	(27.6)	-7.4%	
2004E	778.2	411.1	53%	88.9	106.0	397.2	(17.1)	-4.3%	8.1%
2005E	803.0	426.0	53%	108.0	114.0	420.0	(6.0)	-1.4%	5.7%
2006E	820.0	428.0	52%	110.0	104.0	434.0	6.0	1.4%	3.3%

Growth Rate Per Annum

2000-2003	1.2%	1.4%		-7.3%	-1.8%	0.0%
2003-2004	4.1%	4.4%		1.2%	-7.2%	8.1%
2004-2005	3.2%	3.6%		21.5%	7.5%	5.7%
2005-2006	2.1%	0.5%		1.9%	-8.8%	3.3%

World Hot-Rolled Band Equivalent ASC and Related Items

(million tonnes, except percent)

Item	Crude Steel Production	HRB _{EQ} Product Output	Ratio: HRB _{EQ} to Crude	HRB _{EQ} Imports	HRB _{EQ} Exports	Apparent Steel Consumption	Net Imports	Net Imports vs. ASC	ASC Y-to-Y Change
1997	798.8	369.4	46%	96.6	96.6	369.4			
1998	777.2	352.9	45%	99.2	99.2	352.9			-4.5%
1999	788.5	378.9	48%	109.8	109.8	378.9			7.4%
2000	849.0	417.8	49%	122.9	122.9	417.8			10.3%
2001	851.0	404.6	48%	113.0	113.0	404.6			-3.1%
2002	903.7	433.2	48%	118.5	118.5	433.2			7.1%
2003	967.9	460.3	48%	116.3	116.3	460.3			6.3%
11/2004P (SAAR)	1,084.2	482.5	45%	112.7	112.8	482.5			
2004E	1,047.0	492.9	47%	111.4	111.4	492.9			7.1%
2005E	1,122.0	532.0	47%	124.0	124.0	532.0			7.9%
2006E	1,170.0	555.0	47%	117.0	117.0	555.0			4.3%

Growth Rate Per Annum

2000-2003	4.5%	3.3%		-1.8%	-1.8%	3.3%
2003-2004	8.2%	7.1%		-4.2%	-4.2%	7.1%
2004-2005	7.2%	7.9%		11.3%	11.3%	7.9%
2005-2006	4.3%	4.3%		-5.6%	-5.6%	4.3%

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China Long Product Equivalent ASC and Related Items (million tonnes, except percent)

Item	Crude Steel Production	LP _{EQ} Product Output	Ratio: LP _{EQ} to Crude	LP _{EQ} Imports	LP _{EQ} Exports	Apparent Steel Consumption	Net Imports	Net Imports vs. ASC	ASC Y-to-Y Change
CHINA									
1997	108.8	73.1	67%	4.4	2.2	75.3	2.1	2.8%	
1998	114.6	78.0	68%	4.0	1.7	80.2	2.3	2.8%	6.6%
1999	123.9	81.5	66%	2.6	1.3	82.7	1.3	1.5%	3.1%
2000	128.5	80.3	62%	1.8	3.0	79.1	(1.2)	-1.5%	-4.4%
2001	151.6	102.1	67%	2.3	2.4	102.0	(0.1)	-0.1%	29.0%
2002	182.3	116.4	64%	3.3	2.8	116.9	0.5	0.4%	14.6%
2003	220.1	142.0	65%	5.8	3.6	144.2	2.2	1.5%	23.3%
11/2004p	305.4	177.1	58%	3.0	7.0	173.1	(4.0)	-2.3%	
2004E	268.8	164.8	61%	4.3	6.0	163.1	(1.7)	-1.0%	13.1%
2005E	319.0	181.0	57%	3.0	6.0	178.0	(3.0)	-1.7%	9.1%
2006E	350.0	190.0	54%	4.0	10.0	184.0	(6.0)	-3.3%	3.4%

Growth Rate Per Annum

2000-2003	19.7%	20.9%		48.2%	6.4%	22.2%
2003-2004	22.1%	16.1%		-25.6%	66.6%	13.1%
2004-2005	18.7%	9.8%		-30.2%	0.0%	9.1%
2005-2006	9.7%	5.0%		33.3%	66.7%	3.4%

All but China Long Product Equivalent ASC and Related Items (million tonnes, except percent)

Item	Crude Steel Production	LP _{EQ} Product Output	Ratio: LP _{EQ} to Crude	LP _{EQ} Imports	LP _{EQ} Exports	Apparent Steel Consumption	Net Imports	Net Imports vs. ASC	ASC Y-to-Y Change
All but China									
1997	690.0	297.1	43%	54.7	56.8	294.9	(2.1)	-0.7%	
1998	662.6	288.9	44%	53.4	55.7	286.6	(2.3)	-0.8%	-2.8%
1999	664.6	269.5	41%	53.6	54.9	268.2	(1.3)	-0.5%	-6.4%
2000	720.5	287.6	40%	60.8	59.6	288.8	1.2	0.4%	7.7%
2001	699.4	281.1	40%	61.2	61.1	281.2	0.1	0.0%	-2.6%
2002	721.5	288.3	40%	60.9	61.3	287.8	(0.5)	-0.2%	2.4%
2003	747.8	293.8	39%	63.8	66.0	291.6	(2.2)	-0.8%	1.3%
11/2004P (S)	778.8	294.9	40%	66.0	62.0	298.9	4.0	1.3%	
2004E	778.2	306.9	39%	62.7	61.0	307.6	1.7	0.6%	5.5%
2005E	803.0	313.6	39%	63.0	60.0	316.6	3.0	0.9%	2.9%
2006E	820.0	323.0	39%	66.0	60.0	329.0	6.0	1.8%	3.9%

Growth Rate Per Annum

2000-2003	1.2%	0.7%		1.6%	3.5%	0.3%
2003-2004	4.1%	4.5%		-1.7%	-7.6%	5.5%
2004-2005	3.2%	2.2%		0.5%	-1.6%	2.9%
2005-2006	2.1%	3.0%		4.8%	0.0%	3.9%

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Global Steel Alert database and forecasts

Here are some of the highlights:

All But China

Apparent steel consumption (equivalent basis), after rising by 7% to 705 million tonnes in 2004, increases a further 5% to 737 million tonnes in 2005. In 2006, apparent consumption rises 4% to 763 million tonnes.

Although the global economic growth in 2005 is less than that in 2004, it is still high enough to promote considerable gains in steel consumption. Regions with above average increases in steel consumption include India, the Middle East, the CIS and South America. The gain in USA apparent steel consumption, which was about 12 million tonnes in 2004, will be less in 2005 in part because there will not be a build-up of steel users' inventories.

The "all but China" segment of the steel industry in the 2003 to 2006 time frame suffers a significant deterioration in its steel product trade with China. Excluding trade in semis, net exports of steel products to China decline from 29 million tonnes in 2003 to 15 million tonnes in 2004, and then to 3 million tonnes in 2005. In 2006, China is assumed to become a net exporter of 12 million tonnes.

China

Apparent steel demand (ASC), after rising by 11% in 2004 to 262 million tonnes on a HRB_{EQ} and LP_{EQ} basis, increases again by 11% to 290 million tonnes in 2005. In 2006, it increases a further 5% to 305 million tonnes.

Chinese steel output in November 2004, as pointed out previously, amounted to 305 million tonnes annualized – an amazing 85 million tonne or 39% gain from output for all of 2003 of 220 million tonnes.

In 2005, we estimate that Chinese steel production will rise to 319 million tonnes, with a further gain in 2006 to 350 million tonnes. The Chinese are still spending huge sums on capacity expansions, although at a slower rate than in the first half of 2004. As is well known, the Chinese government took strong actions to dampen capital spending in four overheated industries – steel, aluminum, cement and real estate – in March 2004.

A sizable rise in apparent steel consumption in 2005 seems likely, especially in sheet products, because steel buyers liquidated inventories in the last three quarters of 2004

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China HRB_{EQ} & LPE_{EQ} ASC and Related Items (million tonnes, except percent)

Item	Production		Ratio: Pig to Steel	Product Output	Ratio: Output to Crude	Imports	Exports	ASC	Net Imports	Net Imports vs. ASC	ASC Y-to-Y Change
	Pig	Crude Steel									
CHINA											
1997	115.6	108.8	1.06	98.0	90.1%	12.2	4.1	106.2	8.1	7.7%	
1998	118.8	114.6	1.04	105.6	92.2%	11.4	3.1	113.9	8.3	7.3%	7.3%
1999	125.6	123.9	1.01	115.5	93.2%	13.8	3.0	126.3	10.8	8.5%	10.8%
2000	131.3	128.5	1.02	119.7	93.2%	14.4	5.4	128.8	9.0	7.0%	2.0%
2001	147.3	151.6	0.97	146.2	96.4%	15.4	3.9	157.6	11.5	7.3%	22.4%
2002	171.0	182.3	0.94	171.8	94.3%	22.2	4.4	189.6	17.8	9.4%	20.3%
2003	201.1	220.1	0.91	208.4	94.7%	34.3	5.7	236.9	28.6	12.1%	25.0%
11/2004p	236.0	305.4	0.77	260.5	85.3%	34.4	10.8	284.1	23.6	8.3%	
2004E	207.7	268.8	0.77	246.6	91.7%	26.8	11.4	262.0	15.4	5.9%	10.6%
2005E	246.5	319.0	0.77	287.0	90.0%	19.0	16.0	290.0	3.0	1.0%	10.7%
2006E	270.5	350.0	0.77	317.0	90.6%	11.0	23.0	305.0	(12.0)	-3.9%	5.2%

Growth Rate Per Annum

2000-2003	15.3%	19.7%		20.3%		33.4%	1.9%	22.5%
2003-2004	3.3%	22.1%		18.4%		-21.8%	98.9%	10.6%
2004-2005	18.7%	18.7%		16.4%		-29.1%	40.4%	10.7%
2005-2006	9.7%	9.7%		10.5%		-42.1%	43.8%	5.2%

All but China HRB_{EQ} & LPE_{EQ} ASC and Related Items (million tonnes, except percent)

Item	Production		Ratio: Pig to Steel	Product Output	Ratio: Output to Crude	Imports	Exports	ASC	Net Imports	Net Imports vs. ASC	ASC Y-to-Y Change
	Pig	Crude Steel									
All but China											
1997	430.4	690.0	0.62	641.6	93.0%	143.4	151.6	633.4	(8.1)	-1.3%	
1998	420.1	662.6	0.63	614.2	92.7%	145.2	153.5	605.8	(8.3)	-1.4%	-4.4%
1999	415.3	664.6	0.62	614.3	92.4%	152.3	163.0	603.5	(10.8)	-1.8%	-0.4%
2000	445.1	720.5	0.62	665.9	92.4%	171.0	180.0	656.9	(9.0)	-1.4%	8.8%
2001	430.5	699.4	0.62	641.6	91.7%	161.1	172.6	630.2	(11.5)	-1.8%	-4.1%
2002	437.8	721.5	0.61	666.2	92.3%	160.4	178.2	648.3	(17.8)	-2.7%	2.9%
2003	451.5	747.8	0.60	687.7	92.0%	151.6	180.2	659.2	(28.6)	-4.3%	1.7%
11/2004P (S)	452.0	778.8	0.58	694.1	95.2%	147.3	171.0	670.4	(23.6)	-3.5%	
2004E	451.7	778.2	0.58	723.0	92.9%	151.6	167.0	704.9	(15.4)	-2.2%	6.9%
2005E	466.0	803.0	0.58	739.6	92.1%	171.0	174.0	736.6	(3.0)	-0.4%	4.5%
2006E	475.9	820.0	0.58	751.0	91.6%	176.0	164.0	763.0	12.0	1.6%	3.6%

Growth Rate Per Annum

2000-2003	0.5%	1.2%		1.1%		-3.9%	0.0%	0.1%
2003-2004	0.0%	4.1%		5.1%		0.0%	-7.3%	6.9%
2004-2005	3.2%	3.2%		2.3%		12.8%	4.2%	4.5%
2005-2006	2.1%	2.1%		1.5%		2.9%	-5.7%	3.6%

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Chinese capacity changes

While the rate of capital spending by Chinese steel mills has diminished from the unbelievable high annual level of \$25 billion in the first half of 2004, it still appears to be at an annual rate of about \$15 billion per year. Even at this lower level, capital spending is prodigious when considering that the cost to build steel plants in China may be 40% lower than the average figure for elsewhere in the world.

Additions to capacity in China remain huge. As indicated in the accompanying exhibits, from 2000 to 2006 wide hot strip mill capacity will increase from 50 to 127 million tonnes. Plate mill capacity in the same period will increase from 16 to 36 million tonnes.

On balance, WSD thinks that overcapacity in the Chinese steel sheet and plate markets will develop in 2006.

(Note: WSD's Director of Chinese Research, Liu Jinghai, surveys China's steel capacity situation on an ongoing basis, ascertaining the latest market information. The table below cites the changes since WSD's 2004 forecast for Chinese HRB and Plate Capacity. The total difference amounts to 14 million tonnes.)

Chinese HRB and Plate Capacity in 2002-2007

(Million Tonnes)

<u>HRB Capacity</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	2004-07 increase
Category:							
Wide Strip	27.75	34.45	40.60	56.50	78.50	92.50	
CSP OR ASP	5.53	8.40	17.80	26.30	29.70	31.20	
Narrow Strip	19.79	22.64	29.69	25.22	24.92	24.56	
Total HRB Capacity	53.07	65.49	88.09	108.02	133.12	148.26	82.77
Y to Y % change		23.40	34.51	22.62	23.24	11.37	
Prior forecast, 2004							
Total HRB Capacity	52.05	71.42	81.75	99.89	127.28	141.48	70.06
Difference (mil. Tonnes)	1.02	-5.93	6.34	8.13	5.84	6.78	
<u>Plate Capacity</u>							
plate mills	16.42	19.02	25.58	33.88	36.08	37.58	18.56
Y to Y % change		15.83	34.49	32.45	6.49	4.16	
Prior forecast, 2004							
Total Plate Capacity	16.22	19.02	21.42	30.82	33.02	33.02	14.00
Difference (mil. tonnes)	0.20	0.00	4.16	3.06	3.06	4.56	

Source: WSD estimates

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Chinese HRB_{EQ} Capacity Changes

(million metric tonnes)

	Capacity:	Yearly	Incremental Capacity		Capacity	HRB _{EQ}	Operating	
	<u>Start of Year</u>	<u>Change</u>	1/2 prior yr.	1/2 current yr.				<u>Available</u>
2001	42	6		3.0	3	45	44	97.9%
2002	53	11	3.0	5.5	9	54	55	103.4%
2003	65	12	5.5	6.0	12	65	66	102.1%
2004E	82	17	6.0	8.5	15	80	82	102.9%
2005E	107	25	8.5	12.5	21	101	106	105.5%
2006E	127	20	12.5	10.0	23	123	127	103.3%

Chinese Plate Capacity Changes

(million metric tonnes)

	Capacity:	Yearly	Incremental Capacity		Capacity	Plate	Operating	
	<u>Start of Year</u>	<u>Change</u>	1/2 prior yr.	1/2 current yr.				<u>Available</u>
2001	14	2		1	1	15	13	86.67%
2002	16	2	1	1	2	17	15	88.24%
2003	19	3	1	1.5	2.5	19.5	17	87.18%
2004E	25	6	1.5	3	4.5	24	27	112.50%
2005E	34	9	3	4.5	7.5	31.5	33	104.76%
2006E	35	1	4.5	0.5	5	36.5	38	104.11%

Chinese Long Product + Plate Output = LP_{EQ} Output

(million metric tonnes)

	Plate	y-to-y	LP	y-to-y	Total*	y-to-y
	<u>Output</u>	<u>% change</u>		<u>Output</u>		<u>% change</u>
2001	13		89		102	
2002	15	15%	101	14%	116	14%
2003	17	13%	125	23%	142	22%
2004E	27	59%	138	10%	165	16%
2005E	33	22%	148	7%	181	10%
2006E	38	15%	152	3%	190	5%

*The WSD LP_{EQ} System includes plate in the Long Product EQ category.

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Chinese fixed asset investment – the “driver” of its economy

China’s fixed asset investment, even though it already is running at an ultra-high share of the country’s GDP (somewhere between 42% and 48% in 2004), may rise at a 15-20% per annum rate in 2005. Huge gains in fixed asset investment have been the key to the extraordinary rise in the Chinese economy in the past decade. Hence, WSD submits, Chinese policymakers will promote this “growth engine” until they hit the “Chinese wall.” The Chinese wall, in WSD’s view, is more likely to be a rise in the inflation rate – to more than 5% per annum – than threats of a collapse in the Chinese banking system (which is awash in cash due to the high savings rate in the country).

As WSD has pointed out in prior reports, it appears that a RMB spent on fixed asset investment in China may be 14 times more steel intensive than a RMB spent on household spending.

Hence, once fixed asset investment in China only expands at a rate equal to that of the economy, WSD expects that steel demand may grow only about 4-6% per annum. Interestingly, fixed asset investment spending in China then may be 10 times more steel intensive than that in the United States. For example:

- FAI in China in 2004 is estimated about \$650 billion. Apparent steel consumption in this category (the others are household spending and government) was about 230 million tonnes. Hence, 0.000354 tonnes of steel – or about 0.8 lbs – was consumed per dollar of FAI. *(Note: If the price paid for steel is \$500 per tonne, 17.7% of the fixed asset investment would have been devoted to buying steel.)*
- FAI in the USA in 2004 is estimated at about \$2.2 trillion. Apparent steel consumption in this category about 68 million tonnes. Hence, 0.000031 tonnes of steel – or 0.02 of a pound – was consumed per dollar of FAI. *(Note: If the price paid for steel is \$500 per tonne, 1.5% of the fixed asset investment would have been devoted to buying steel.)*

GDP per capita in China, at \$1,178 per person, is one thirty-fifth of the USA figure of \$40,972.

At some point, FAI growth must slow sharply for two reasons:

- If FAI amounts to 50% (likely by 2006, if not this year) of the Chinese economy and its grows 15-20%, this may cause overheating of the economy.
- China’s savings rate will decline, as it has in other countries, when a higher proportion of GDP is devoted to household spending. Of course, it is hard to determine when this might happen. Currently, savings in China may amount to

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about 50% of GDP. *(Note: Household spending in China is far less steel intensive, per dollar of outlay, than fixed asset investment.)*

(Note: In GDP accounting terms, fixed asset investment is equal to the savings rate plus the current account surplus. The current account surplus is about 1% of GDP for China versus -5.5% for the United States. The current account surplus includes the trade balance, trade in services, return on foreign investment and interest. Please note that, in WSD's analysis, FAI is assumed to be equivalent to gross domestic capital formation – which is generally the case.)

Chinese exports not sustained when world steel export prices are depressed

WSD thinks that Chinese steel sheet exports will not be sustained when world steel export prices are down sharply. During periods of depressed world export prices, exports may be cut back for these reasons:

- The steel mills will not be profitable on their export business – similar to steel mills the world over. In fact, losses would be even more substantial if the Chinese RMB were to appreciate. Government policymakers will become even more displeased with the steel industry's sizable dependence on imported raw materials if it is exporting at a loss.
- Given that the steel industry accounts for about 11% of China's GDP, and that it loses money when exporting, policymakers will seek to free up more electric power, port capacity, water availability and rail capacity for other sectors of the economy.
- The Chinese government will not want the steel mills to become involved in high-profile anti-dumping and countervailing subsidy-related duty suits.

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GLOBAL STEEL: The Old versus the New Continuum

Item	Old – Past 20 Years	New – Next 15 years
<u>Downside</u> pricing volatility for hot-rolled band on the world export market.	Severe and rapid declines. Death spirals common.	Declines don't culminate in death spirals as frequently. Ultra-low cost suppliers, such as the CIS, are no longer as low cost. China may become the new "price setter."
<u>Upside</u> pricing volatility.	Typically, slower price increases than price declines.	Same patterns in export markets as in old continuum. Rapid price boosts. Buying panics common. Large price spikes. Less volatility in home markets.
Home market pricing.	Usually better than export market but the mills are usually on the receiving end of the psychological war with buyers.	Further improvement. Concentration helps the mills to gain pricing power.
Steel mills "pricing power" in sheet.	In the hands of the buyers most of the time.	In the hands of the mills more of the time.
The "age of metallics."	Not evident, but the stage is set as the raw materials suppliers endure years of marginal returns.	Continues to live on. The time lag in developing new resources and the concentration of the suppliers.
China steel demand growth.	Huge. 20% per annum gain from 2000 to 2003, principally from fixed asset investment.	Much more moderate. Maybe about 6% per year after 2005 as the investment climate cools and we are dealing with larger numbers.
Non-Chinese steel demand growth rate.	About 1.2% per annum between 1985-2003 due to collapse of the Soviet Union.	Much more dynamic, spearheaded by gains of about 5% per year in India, South America, CIS and Middle East.
Global inflation rate.	Declined from high to moderate levels in all regions. Helped in part by a strong dollar.	Rises, but will be less than historical levels due to competition created by internet. Will not restrain global growth. <i>Biggest risk to steel industry is sizable rise in interest rates will curtail growth.</i>
Cost inflation.	Minor. Wage increases offset by labor productivity gains. Low cost raw materials.	Immense cost surge in 2004-2005. Minor after 2005 as inflation stays low and high raw material prices bring out more capacity.
Cost-push pricing.	Little cost inflation. In fact, cost reductions more than offset wage cost increases and push steel pricing down.	Sizable cost inflation in 2004-2005. Probably moderate thereafter.

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GLOBAL STEEL: The Old versus the New Continuum

Item	Old – Past 20 Years	New – Next 15 years
Demand-pull pricing.	Not a factor until Chinese production growth surge impacts pricing in 2003.	Is a factor due to higher operating rates over the cycle – reflecting rising demand and capacity limitations at primary end.
“Pricing pull” for steelmakers’ raw materials. High prices for finished products pull up the price of steelmakers’ raw materials.	Not a factor in the past 20 years because there have been no steel shortages with huge price premiums for steel finished products on the world market.	Immense price rises in 2004 pulled up raw material prices. Future periods of extreme price boosts would have the same impact.
Currency values: U.S. dollar versus Euro.	U.S. dollar strong.	U.S. dollar very weak in 2004. Euro strength probably a precursor of stronger Pacific Basin currency values versus the U.S. dollar.
Currency values: U.S. dollar versus RMB.	Flat. RMB held flat against the dollar.	RMB is priced versus a basket of currencies and strengthens versus the dollar. <i>(Note: Stronger RMB would hurt Chinese steel mills’ export competitiveness.)</i>
Merger and acquisition activity.	Moderate. Substantial only after about 2001 when steel plant assets could be bought at ultra-low values.	Substantial. The urge to merge far greater even though higher prices must to be paid to acquire steel facilities. Many steel mills have excess cash flows and high common stock prices.
Recovery rate from the obsolete steel scrap reservoir	Has risen substantially from the 0.70 ratio range to the 0.90 ratio range.	Perhaps not great room for substantial increase. Figure of 1.00 may be the upper limit.
Iron ore prices.	Year-to-year changes ranged from –13% to +17%. Price increase of 20% in 2004	A possible 30% increase in FOB price in 2005 – and maybe even more? – is the largest since 1975.
Coke prices on the world export market.	Chinese coke export prices were volatile, but often priced at about \$80 per tonne, FOB the port of export. In 2003-04, immense spike to a peak of \$450 per tonne in Feb. 2004.	Price at \$270 per tonne, FOB the port of export, in early January 2005. Price may decline later in 2005. Lower price expected in 2006 due to far more supply.
Coking coal prices.	Stable. Many steelmakers divest their coal mine holdings.	Rises to \$125 per tonne from \$57 per tonne, FOB the port of export. Prices may not rise again in the following years.
Steel scrap prices.	Volatile, but typically not did rise to extraordinary heights.	Three price spikes in 2004 expected to be the precursor to higher prices over the cycle in the future.

WORLDSTEELDYNAMICS

GLOBAL STEEL: The Old versus the New Continuum

Item	Old – Past 20 Years	New – Next 15 years
Pig iron prices.	Pig prices follow scrap prices. An export market for pig iron is developed.	Pig iron expected to sell at a greater premium to heavy melting scrap prices than in the past <u>when scrap prices are high</u> based on the tight supply of low residual scrap.
Slab prices.	Tended to be low over the cycle. Typically only in strong demand during industry booms.	Slab prices sell at higher prices over the cycle due to not enough industry capacity at the primary end (up through steelmaking).
Ocean freight rates.	Stable, except for spike in 2003-2004.	Decline by about 2007 as new bottoms are floated.
Oil prices	Fairly stable until a major spike in 2004. Ample supplies.	Still volatile. Price may sell at \$35-40 per barrel, which is still high by historic standards.
Profits for raw material suppliers.	Low margins. Prices not far from production cost. No great incentive for steel mills to become “integrated.”	Huge profit margins for raw material supplier. The “economic rent” has shifted in their favor.
Profits for international steel mills.	Weak in most years. Brief periods of very good results.	Far better over the cycle. “Age of Metallics” a major plus because supply is limited at the primary end.
The “tyranny of large numbers” in the steel business.	Only became evident in the second half of 2003 with the onset of the “Age of Metallics”.	Remains a major factor due to the immensity of the industry. Hence, there are raw material limitations if demand growth is 3% per year.
Government involvement in steel except for China.	Lessened sharply. Most government-owned mills privatized.	Even less involvement.
Chinese government actions.	Government policy encouraged rapid capacity expansions in order to prevent shortfall.	Steel industry less beloved because it creates pollution and uses up so much of China’s resources. Yet, when oversupply developments, Chinese government takes actions to help the industry to concentrate.
IISI membership.	CIS and Chinese mills not members.	All countries are members.
Steel futures trading on a <u>physical</u> basis.	No progress.	Probably only minor progress.

WORLDSTEELDYNAMICS

GLOBAL STEEL: The Old versus the New Continuum

Item	Old – Past 20 Years	New – Next 15 years
Steel futures trading on a <u>financial</u> basis.	Good initial progress – starting with ENRON.	Major progress. Financial trading of steel contracts becomes a significant force – especially once financial hedging on steel price changes becomes popular.
Industrial structure of the global steel business.	Increasingly “competitive” in the academic sense of the word on the world market due to too many suppliers. Sizable and rising concentration in many home markets. China highly competitive.	Shift to more oligopolistic production structure in more markets. Chinese steel industry structure remains “competitive.” However, government mandates will help to control pricing.
Global trade.	Historically, trade amounts to about 25% of production – with the CIS and South America steel mills more active in the 1990s. Also, growing trade in slab and pig iron.	Global steel trade remains at high levels, including more pig iron, DRI and slab trade.
Major destabilizing events	Global steel industry destabilized by the collapse of Former Soviet Bloc – which caused steel demand to plummet – and the Asian financial crisis in 1997. Massive CIS currency devaluation in 1998 promoted pricing death spiral.	None. Global economic stagnation is only risk. We assume that Chinese policymakers will take actions to promote the welfare of the steel industry.

WORLDSTEELDYNAMICS

CHINA HRB Equivalent Demand (000 Tonnes)

ALL BUT CHINA HRB Equivalent Demand (000 Tonnes)

CHINA HRB						ALL BUT CHINA HRB						
----- Annualized Equivalent -----						----- Annualized Equivalent -----						
	Shipment	Import	Export	Net Import	ASC		Shipment	Import	Export	Net Import	ASC	
1997	23,219	7,879	1,880	5,998	29,218		1997	344,502	88,763	94,761	-5,998	338,503
1998	26,089	7,420	1,341	6,079	32,168	10.1%	1998	325,284	91,750	97,829	-6,079	319,205
1999	31,654	11,156	1,637	9,520	41,174	28.0%	1999	344,842	98,612	108,131	-9,520	335,323
2000	36,991	12,650	2,430	10,220	47,212	14.7%	2000	378,301	110,214	120,434	-10,220	368,081
2001	41,411	13,089	1,536	11,553	52,964	12.2%	2001	360,556	99,873	111,426	-11,553	349,002
Jan-02	46,173	13,864	1,142	12,722	58,895	34.1%	Jan-02	364,061	93,501	106,223	-12,722	351,339
Feb-02	42,504	11,679	1,095	10,584	53,088	4.5%	Feb-02	344,030	96,452	107,036	-10,584	333,446
Mar-02	49,919	19,698	1,763	17,935	67,854	25.4%	Mar-02	379,760	97,621	115,556	-17,935	361,825
Apr-02	50,713	22,637	1,647	20,990	71,702	30.9%	Apr-02	372,392	92,314	113,304	-20,990	351,402
May-02	54,155	19,298	962	18,336	72,492	33.9%	May-02	388,725	102,027	120,364	-18,336	370,388
Jun-02	51,983	21,908	979	20,929	72,912	37.6%	Jun-02	384,268	99,712	120,641	-20,929	363,339
Jul-02	49,823	23,707	1,235	22,472	72,295	33.7%	Jul-02	381,422	104,203	126,675	-22,472	358,950
Aug-02	53,719	23,316	2,277	21,039	74,759	33.6%	Aug-02	388,369	102,311	123,350	-21,039	367,330
Sep-02	56,906	20,724	2,127	18,598	75,504	38.9%	Sep-02	385,702	103,591	122,188	-18,598	367,104
Oct-02	57,216	14,847	2,001	12,846	70,062	33.3%	Oct-02	395,363	105,524	118,370	-12,846	382,518
Nov-02	54,509	15,889	1,460	14,428	68,938	28.7%	Nov-02	381,874	99,954	114,383	-14,428	367,446
Dec-02	57,634	19,631	2,558	17,074	74,707	37.5%	Dec-02	376,128	98,610	115,684	-17,074	359,054
2002	52,105	18,933	1,604	17,329	69,434	31.1%	2002	378,508	99,652	116,981	-17,329	361,178
Jan-03	56,042	28,647	1,472	27,175	83,217	41.3%	Jan-03	389,397	83,843	111,018	-27,175	362,222
Feb-03	56,243	24,294	1,999	22,294	78,537	47.9%	Feb-03	364,961	85,819	108,113	-22,294	342,667
Mar-03	60,431	29,809	2,453	27,356	87,787	29.4%	Mar-03	415,675	94,714	122,070	-27,356	388,319
Apr-03	59,749	31,185	1,934	29,251	89,000	24.1%	Apr-03	398,434	91,696	120,947	-29,251	369,183
May-03	69,133	28,369	1,956	26,413	95,546	31.8%	May-03	404,296	90,244	116,658	-26,413	377,883
Jun-03	61,977	34,238	2,540	31,698	93,675	28.5%	Jun-03	393,610	79,998	111,696	-31,698	361,912
Jul-03	69,259	33,744	2,193	31,550	100,809	39.4%	Jul-03	388,067	81,615	113,165	-31,550	356,517
Aug-03	69,103	23,987	2,121	21,866	90,969	21.7%	Aug-03	381,080	81,644	103,511	-21,866	359,214
Sep-03	68,720	28,284	1,881	26,403	95,124	26.0%	Sep-03	394,339	91,904	118,307	-26,403	367,936
Oct-03	72,671	24,900	1,745	23,155	95,825	36.8%	Oct-03	410,417	94,483	117,638	-23,155	387,262
Nov-03	74,132	27,726	2,554	25,172	99,304	44.0%	Nov-03	398,834	88,245	113,417	-25,172	373,662
Dec-03	78,719	26,271	2,269	24,002	102,722	37.5%	Dec-03	397,633	92,434	116,437	-24,002	373,631
2003	66,348	28,454	2,093	26,361	92,710	33.5%	2003	394,729	88,053	114,415	-26,361	368,367
Jan-04	62,220	29,188	2,438	26,750	86,222	3.6%	Jan-04	410,372	34,393	61,143	-26,750	386,370
Feb-04	71,682	29,188	2,438	26,749	98,432	25.3%	Feb-04	395,139	85,158	111,908	-26,749	368,390
Mar-04	72,892	29,702	1,686	28,016	100,908	14.9%	Mar-04	423,147	86,930	114,947	-28,016	395,131
Apr-04	72,124	30,510	2,243	28,267	100,390	12.8%	Apr-04	408,305	77,308	105,575	-28,267	380,038
May-04	72,707	23,728	2,742	20,985	93,693	-1.9%	May-04	418,547	87,118	108,104	-20,985	397,561
Jun-04	73,868	17,979	3,229	14,750	88,618	-5.4%	Jun-04	416,458	91,975	106,725	-14,750	401,708
Jul-04	83,105	21,177	5,282	15,895	99,000	-1.8%	Jul-04	408,489	89,857	105,753	-15,895	392,594
Aug-04	87,141	18,709	8,885	9,824	96,965	6.6%	Aug-04	399,050	93,794	103,618	-9,824	389,225
Sep-04	90,408	16,588	9,170	7,419	97,826	2.8%	Sep-04	412,985	99,445	106,863	-7,419	405,567
Oct-04	92,254	17,916	7,615	10,301	102,555	7.0%	Oct-04	423,229	100,520	110,820	-10,301	412,928
Nov-04	102,389	19,084	10,279	8,805	111,194	12.0%	Nov-04	419,155	101,038	109,843	-8,805	410,349
Dec-04	100,614	16,300	9,154	7,147	107,761	4.9%	Dec-04	398,637	98,737	105,883	-7,147	391,490
2004-E	81,784	22,506	5,430	17,076	98,630	6.4%	2004	411,126	87,189	104,265	-17,076	394,279
Jan-05	102,863	16,144	10,016	6,127	108,991	26.4%	Jan-05	421,790	101,347	107,474	-6,127	415,663
Feb-05	104,676	16,258	10,084	6,174	110,850	12.6%	Feb-05	408,376	98,816	104,990	-6,174	402,201
Mar-05	105,716	16,155	9,975	6,181	111,897	10.9%	Mar-05	436,491	104,692	110,872	-6,181	430,310
Apr-05	103,666	16,283	10,096	6,187	109,853	9.4%	Apr-05	423,115	101,949	108,136	-6,187	416,928
May-05	105,481	16,398	10,164	6,234	111,715	19.2%	May-05	436,183	104,910	111,144	-6,234	429,949
Jun-05	106,524	16,296	10,055	6,241	112,764	27.2%	Jun-05	428,784	102,701	108,941	-6,241	422,544
Jul-05	104,476	16,424	10,177	6,247	110,723	11.8%	Jul-05	427,876	102,516	108,763	-6,247	421,629
Aug-05	106,293	16,539	10,245	6,294	112,587	16.1%	Aug-05	418,744	100,545	106,839	-6,294	412,449
Sep-05	107,338	16,438	10,136	6,301	113,639	16.2%	Sep-05	431,847	103,750	110,052	-6,301	425,545
Oct-05	105,293	16,566	10,259	6,308	111,601	8.8%	Oct-05	440,590	105,872	112,180	-6,308	434,282
Nov-05	107,113	16,682	10,327	6,355	113,468	2.0%	Nov-05	430,896	103,597	109,953	-6,355	424,540
Dec-05	108,160	16,581	10,218	6,362	114,522	6.3%	Dec-05	410,523	99,805	106,167	-6,362	404,161
2005-E	105,633	16,397	10,146	6,251	111,884	13.4%	2005	426,268	102,542	108,793	-6,251	420,017

Source: WSD estimates.

WORLDSTEELDYNAMICS

CHINA LP Equivalent Demand (000 Tonnes)

ALL BUT CHINA LP Equivalent Demand (000 Tonnes)

	----- Annualized Equivalent-----					ASC	
	Shipment	Import	Export	Net Import			
1997	73,119	4,358	2,219	2,139	75,259		
1998	77,955	3,988	1,728	2,260	80,215	6.6%	
1999	81,524	2,596	1,323	1,273	82,797	3.2%	
2000	80,288	1,775	2,989	-1,213	79,075	-4.5%	
2001	102,102	2,296	2,382	-87	102,015	29.0%	
Jan-02	106,948	2,035	1,502	533	107,481	14.8%	
Feb-02	102,343	2,342	1,668	674	103,017	16.5%	
Mar-02	113,954	3,246	2,460	786	114,740	16.5%	
Apr-02	111,992	3,276	2,638	638	112,630	18.4%	
May-02	118,239	3,627	2,780	847	119,086	20.5%	
Jun-02	116,183	3,989	2,519	1,469	117,652	16.5%	
Jul-02	118,771	4,480	2,676	1,804	120,574	17.0%	
Aug-02	120,366	4,147	4,845	-698	119,668	15.6%	
Sep-02	119,013	3,312	3,735	-423	118,590	15.1%	
Oct-02	122,477	2,399	3,147	-748	121,729	11.5%	
Nov-02	124,877	2,874	2,593	281	125,158	11.8%	
Dec-02	129,991	3,825	3,225	600	130,591	10.6%	
2002	117,096	3,296	2,816	480	117,576	15.3%	
Jan-03	120,451	4,080	2,739	1,341	121,792	13.3%	
Feb-03	121,106	3,829	2,725	1,104	122,211	18.6%	
Mar-03	132,730	5,147	3,842	1,305	134,035	16.8%	
Apr-03	135,209	6,505	4,170	2,335	137,545	22.1%	
May-03	143,832	5,680	4,861	819	144,651	21.5%	
Jun-03	143,583	4,786	4,409	378	143,960	22.4%	
Jul-03	143,177	6,354	3,792	2,562	145,379	20.9%	
Aug-03	147,707	6,118	3,046	3,072	150,778	26.0%	
Sep-03	149,484	8,225	3,145	5,080	154,565	30.3%	
Oct-03	154,497	6,006	3,452	2,554	157,051	29.0%	
Nov-03	159,760	6,307	3,342	2,964	162,724	30.0%	
Dec-03	157,156	7,143	3,292	3,851	161,007	23.3%	
2003	142,391	5,848	3,568	2,280	144,671	23.0%	
Jan-04	137,245	7,501	3,917	3,584	140,830	15.6%	
Feb-04	145,503	7,430	3,917	3,513	149,016	21.9%	
Mar-04	161,169	8,034	3,234	4,800	165,969	23.9%	
Apr-04	153,992	5,191	4,785	406	154,397	12.3%	
May-04	155,297	3,200	6,571	-3,371	151,927	5.0%	
Jun-04	153,424	2,407	6,320	-3,913	149,510	3.9%	
Jul-04	162,201	3,011	6,718	-3,707	158,495	8.8%	
Aug-04	172,294	2,684	7,125	-4,442	167,852	11.3%	
Sep-04	175,259	3,742	7,401	-3,659	171,600	11.0%	
Oct-04	183,956	2,608	7,503	-4,895	179,061	14.0%	
Nov-04	184,683	2,596	7,051	-4,455	180,228	10.8%	
Dec-04	192,189	2,974	7,564	-4,591	187,598	16.5%	
2004-E	164,768	4,281	6,009	-1,727	163,040	12.7%	
Jan-05	178,319	5,358	4,400	958	179,277	27.3%	
Feb-05	178,319	5,307	3,305	2,002	180,321	21.0%	
Mar-05	179,391	5,739	2,193	3,546	182,937	10.2%	
Apr-05	179,929	3,708	4,170	-462	179,467	16.2%	
May-05	180,469	2,286	7,792	-5,506	174,963	15.2%	
Jun-05	181,010	1,719	6,560	-4,841	176,169	17.8%	
Jul-05	181,553	2,151	6,704	-4,553	177,000	11.7%	
Aug-05	182,098	1,917	7,230	-5,313	176,785	5.3%	
Sep-05	182,644	2,673	7,160	-4,487	178,157	3.8%	
Oct-05	183,192	1,863	7,427	-5,564	177,628	-0.8%	
Nov-05	183,741	1,854	7,266	-5,412	178,329	-1.1%	
Dec-05	184,293	2,124	7,434	-5,310	178,983	-4.6%	
2005F	181,246	3,058	5,970	-2,912	178,335	9.4%	

WSD Estimates

	----- Annualized Equivalent-----					ASC	
	Shipment	Import	Export	Net Import			
1997	296,821	54,682	56,821	-2,139	294,682		
1998	288,893	53,402	55,662	-2,260	286,633	-2.7%	
1999	269,317	53,643	54,916	-1,273	268,044	-6.5%	
2000	287,690	60,779	59,566	1,213	288,904	7.8%	
2001	281,036	61,232	61,145	87	281,122	-2.7%	
Jan-02	273,008	55,427	55,960	-533	272,475	-5.9%	
Feb-02	261,483	56,347	57,021	-674	260,809	-3.8%	
Mar-02	290,748	62,035	62,820	-786	289,963	-3.0%	
Apr-02	283,911	60,732	61,370	-638	283,273	-2.9%	
May-02	295,477	62,859	63,706	-847	294,630	-0.3%	
Jun-02	291,522	61,704	63,174	-1,469	290,053	1.3%	
Jul-02	288,849	63,537	65,341	-1,804	287,045	2.1%	
Aug-02	287,868	57,523	56,825	698	288,566	5.3%	
Sep-02	294,806	61,940	61,518	423	295,229	4.5%	
Oct-02	300,628	65,989	65,241	748	301,376	6.5%	
Nov-02	289,532	64,444	64,725	-281	289,251	8.9%	
Dec-02	285,596	57,682	58,282	-600	284,996	12.3%	
2002	286,952	60,852	61,332	-480	286,472	1.9%	
Jan-03	296,224	60,473	61,814	-1,341	294,882	8.2%	
Feb-03	274,394	60,645	61,749	-1,104	273,290	4.8%	
Mar-03	311,317	64,624	65,928	-1,305	310,012	6.9%	
Apr-03	297,626	62,222	64,557	-2,335	295,290	4.2%	
May-03	302,788	64,379	65,198	-819	301,969	2.5%	
Jun-03	292,833	67,830	68,207	-378	292,455	0.8%	
Jul-03	290,955	64,327	66,889	-2,562	288,393	0.5%	
Aug-03	281,990	53,322	56,394	-3,072	278,918	-3.3%	
Sep-03	286,196	62,453	67,533	-5,080	281,115	-4.8%	
Oct-03	299,057	68,825	71,378	-2,554	296,503	-1.6%	
Nov-03	291,917	60,705	63,670	-2,964	288,953	-0.1%	
Dec-03	291,334	58,976	62,827	-3,851	287,483	0.9%	
2003	293,053	62,398	64,679	-2,280	290,772	1.5%	
Jan-04	305,660	58,523	62,108	-3,584	302,076	2.4%	
Feb-04	290,994	57,472	60,985	-3,513	287,482	5.2%	
Mar-04	311,805	58,210	63,010	-4,800	307,005	-1.0%	
Apr-04	302,208	63,752	64,158	-406	301,802	2.2%	
May-04	310,973	72,092	68,722	3,371	314,344	4.1%	
Jun-04	306,341	73,063	69,150	3,913	310,254	6.1%	
Jul-04	306,181	71,121	67,414	3,707	309,887	7.5%	
Aug-04	299,470	62,493	58,052	4,442	303,911	9.0%	
Sep-04	307,978	73,287	69,628	3,659	311,637	10.9%	
Oct-04	314,312	76,228	71,334	4,895	319,206	7.7%	
Nov-04	312,225	71,530	67,075	4,455	316,680	9.6%	
Dec-04	297,779	64,585	59,995	4,591	302,369	5.2%	
2004-E	305,494	66,863	65,136	1,727	307,221	5.7%	
Jan-05	311,515	59,915	60,873	-958	310,556	2.8%	
Feb-05	312,165	59,524	61,526	-2,002	310,163	7.9%	
Mar-05	322,339	60,398	63,944	-3,546	318,793	3.8%	
Apr-05	312,520	65,270	64,808	462	312,983	3.7%	
May-05	321,560	72,958	67,453	5,506	327,065	4.0%	
Jun-05	316,846	73,715	68,875	4,841	321,687	3.7%	
Jul-05	316,728	71,666	67,113	4,553	321,281	3.7%	
Aug-05	309,776	63,033	57,720	5,313	315,089	3.7%	
Sep-05	318,407	74,119	69,632	4,487	322,894	3.6%	
Oct-05	324,944	76,612	71,047	5,564	330,508	3.5%	
Nov-05	322,806	72,197	66,784	5,412	328,218	3.6%	
Dec-05	307,964	65,398	60,088	5,310	313,274	3.6%	
2005-E	316,464	67,900	64,989	2,912	319,376	4.0%	

WSD Estimates

WORLDSTEELDYNAMICS

WORLD HRB Equivalent Demand (000 Tonnes)

	HRB				ASC	
	----- Annualized Equivalent -----					
	Shipment	Import	Export	Net Import		
1997	367,721	96,641	96,641		367,721	
1998	351,372	99,170	99,170		351,372	-4.4%
1999	376,497	109,768	109,768		376,497	7.2%
2000	415,292	122,864	122,864		415,292	10.3%
2001	401,966	112,962	112,962		401,966	-3.2%
Jan-02	410,234	107,365	107,365		410,234	2.2%
Feb-02	386,534	108,131	108,131		386,534	-1.7%
Mar-02	429,679	117,319	117,319		429,679	2.3%
Apr-02	423,104	114,951	114,951		423,104	3.5%
May-02	442,880	121,325	121,325		442,880	4.9%
Jun-02	436,251	121,621	121,621		436,251	6.6%
Jul-02	431,245	127,909	127,909		431,245	7.7%
Aug-02	442,089	125,627	125,627		442,089	10.7%
Sep-02	442,608	124,315	124,315		442,608	10.8%
Oct-02	452,579	120,371	120,371		452,579	10.9%
Nov-02	436,383	115,843	115,843		436,383	10.0%
Dec-02	433,761	118,241	118,241		433,761	18.9%
2002	430,612	118,585	118,585		430,612	7.1%
Jan-03	445,439	112,490	112,490		445,439	8.6%
Feb-03	421,204	110,112	110,112		421,204	9.0%
Mar-03	476,106	124,523	124,523		476,106	10.8%
Apr-03	458,182	122,881	122,881		458,182	8.3%
May-03	473,430	118,614	118,614		473,430	6.9%
Jun-03	455,587	114,236	114,236		455,587	4.4%
Jul-03	457,326	115,358	115,358		457,326	6.0%
Aug-03	450,183	105,632	105,632		450,183	1.8%
Sep-03	463,060	120,188	120,188		463,060	4.6%
Oct-03	483,088	119,383	119,383		483,088	6.7%
Nov-03	472,966	115,971	115,971		472,966	8.4%
Dec-03	476,352	118,705	118,705		476,352	9.8%
2003	461,077	116,508	116,508		461,077	7.1%
Jan-04	472,592	63,581	63,581		472,592	6.1%
Feb-04	466,821	114,346	114,346		466,821	10.8%
Mar-04	496,040	116,632	116,632		496,040	4.2%
Apr-04	480,428	107,818	107,818		480,428	4.9%
May-04	491,254	110,846	110,846		491,254	3.8%
Jun-04	490,326	109,955	109,955		490,326	7.6%
Jul-04	491,594	111,034	111,034		491,594	7.5%
Aug-04	486,191	112,503	112,503		486,191	8.0%
Sep-04	503,393	116,033	116,033		503,393	8.7%
Oct-04	515,483	118,436	118,436		515,483	6.7%
Nov-04	521,544	120,122	120,122		521,544	10.3%
Dec-04	499,251	115,037	115,037		499,251	4.8%
2004F	492,910	109,695	109,695		492,910	6.9%
Jan-05	524,653	117,491	117,491		524,653	11.0%
Feb-05	513,051	115,074	115,074		513,051	9.9%
Mar-05	542,207	120,847	120,847		542,207	9.3%
Apr-05	526,781	118,233	118,233		526,781	9.6%
May-05	541,664	121,308	121,308		541,664	10.3%
Jun-05	535,308	118,997	118,997		535,308	9.2%
Jul-05	532,352	118,940	118,940		532,352	8.3%
Aug-05	525,037	117,084	117,084		525,037	8.0%
Sep-05	539,185	120,188	120,188		539,185	7.1%
Oct-05	545,883	122,438	122,438		545,883	5.9%
Nov-05	538,008	120,279	120,279		538,008	3.2%
Dec-05	518,684	116,385	116,385		518,684	3.9%
2005	531,901	118,939	118,939		531,901	7.9%

Source: WSD estimates.

Europe HRB Equivalent Demand (000 Tonnes)

	HRB				ASC	
	----- Annualized Equivalent -----					
	Shipment	Import	Export	Net Import		
1997	92,568	34,228	32,050	2,179	94,746	
1998	90,767	37,974	29,890	8,084	98,851	4.3%
1999	90,748	39,136	30,088	9,049	99,797	1.0%
2000	95,807	42,036	32,529	9,507	105,314	5.5%
2001	90,209	39,833	30,656	9,177	99,386	-5.6%
Jan-02	91,286	36,049	29,881	6,168	97,454	-8.2%
Feb-02	88,556	34,706	30,934	3,771	92,327	-9.9%
Mar-02	100,418	41,728	32,506	9,222	109,641	0.5%
Apr-02	94,777	42,949	33,827	9,121	103,898	-2.0%
May-02	99,765	43,972	33,518	10,454	110,218	1.0%
Jun-02	98,677	41,516	34,678	6,839	105,515	6.4%
Jul-02	93,830	43,091	33,180	9,910	103,740	2.1%
Aug-02	92,966	36,741	28,766	7,975	100,941	24.9%
Sep-02	98,154	41,345	31,451	9,894	108,048	11.1%
Oct-02	100,431	45,565	33,810	11,754	112,185	6.3%
Nov-02	96,337	42,217	32,873	9,344	105,681	9.5%
Dec-02	87,992	35,182	28,702	6,480	94,472	19.8%
2002	95,266	40,422	32,011	8,411	103,677	4.3%
Jan-03	93,955	42,119	28,038	14,081	108,036	10.9%
Feb-03	92,413	41,038	25,691	15,347	107,761	16.7%
Mar-03	106,810	42,969	28,328	14,641	121,451	10.8%
Apr-03	99,663	40,385	29,648	10,736	110,399	6.3%
May-03	101,778	43,960	27,782	16,179	117,957	7.0%
Jun-03	94,691	46,754	25,725	21,029	115,720	9.7%
Jul-03	90,841	45,991	25,167	20,824	111,665	7.6%
Aug-03	83,583	29,618	19,935	9,683	93,266	-7.6%
Sep-03	95,347	43,381	27,659	15,722	111,069	2.8%
Oct-03	102,264	46,694	26,925	19,769	122,033	8.8%
Nov-03	99,851	40,525	27,826	12,699	112,549	6.5%
Dec-03	91,012	34,530	23,863	10,666	101,679	7.6%
2003	96,017	41,497	26,382	15,115	111,132	7.2%
Jan-04	99,720	44,424	26,020	18,404	118,124	9.3%
Feb-04	96,448	42,908	25,122	17,786	114,233	6.0%
Mar-04	105,592	47,053	27,584	19,470	125,061	3.0%
Apr-04	103,086	45,889	26,859	19,030	122,116	10.6%
May-04	106,011	47,175	27,614	19,561	125,572	6.5%
Jun-04	103,894	46,276	27,103	19,173	123,067	6.3%
Jul-04	99,086	44,229	25,905	18,325	117,410	5.1%
Aug-04	89,658	40,208	23,591	16,617	106,275	13.9%
Sep-04	102,386	45,665	26,776	18,889	121,275	9.2%
Oct-04	104,520	46,578	27,285	19,293	123,813	1.5%
Nov-04	104,672	46,599	27,293	19,306	123,978	10.2%
Dec-04	93,213	41,487	24,302	17,185	110,398	8.6%
2004	100,690	44,874	26,288	18,586	119,277	7.3%
Jan-05	100,964	46,750	25,851	20,899	121,862	3.2%
Feb-05	97,651	44,957	25,391	19,566	117,218	2.6%
Mar-05	106,791	48,263	27,316	20,948	127,739	2.1%
Apr-05	104,327	46,420	27,154	19,266	123,593	1.2%
May-05	107,286	48,981	27,919	21,062	128,348	2.2%
Jun-05	105,226	48,098	26,733	21,365	126,591	2.9%
Jul-05	100,358	46,644	25,850	20,794	121,152	3.2%
Aug-05	90,814	43,032	23,868	19,164	109,978	3.5%
Sep-05	103,648	46,562	27,080	19,482	123,130	1.5%
Oct-05	105,742	47,125	27,577	19,549	125,290	1.2%
Nov-05	105,959	47,174	27,745	19,429	125,388	1.1%
Dec-05	94,368	43,804	24,622	19,182	113,550	2.9%
2005	101,928	46,484	26,425	20,059	121,987	2.3%

Source: WSD estimates.

WORLDSTEELDYNAMICS

China HRB Equivalent Demand (000 Tonnes)

	HRB					ASC	
	----- Annualized Equivalent-----						
	Shipment	Import	Export	Net Import			
1997	23,219	7,879	1,880	5,998	29,218		
1998	26,089	7,420	1,341	6,079	32,168	10.1%	
1999	31,654	11,156	1,637	9,520	41,174	28.0%	
2000	36,991	12,650	2,430	10,220	47,212	14.7%	
2001	41,411	13,089	1,536	11,553	52,964	12.2%	
Jan-02	46,173	13,864	1,142	12,722	58,895	34.1%	
Feb-02	42,504	11,679	1,095	10,584	53,088	4.5%	
Mar-02	49,919	19,698	1,763	17,935	67,854	25.4%	
Apr-02	50,713	22,637	1,647	20,990	71,702	30.9%	
May-02	54,155	19,298	962	18,336	72,492	33.9%	
Jun-02	51,983	21,908	979	20,929	72,912	37.6%	
Jul-02	49,823	23,707	1,235	22,472	72,295	33.7%	
Aug-02	53,719	23,316	2,277	21,039	74,759	33.6%	
Sep-02	56,906	20,724	2,127	18,598	75,504	38.9%	
Oct-02	57,216	14,847	2,001	12,846	70,062	33.3%	
Nov-02	54,509	15,889	1,460	14,428	68,938	28.7%	
Dec-02	57,634	19,631	2,558	17,074	74,707	37.5%	
2002	52,105	18,933	1,604	17,329	69,434	31.1%	
Jan-03	56,042	28,647	1,472	27,175	83,217	41.3%	
Feb-03	56,243	24,294	1,999	22,294	78,537	47.9%	
Mar-03	60,431	29,809	2,453	27,356	87,787	29.4%	
Apr-03	59,749	31,185	1,934	29,251	89,000	24.1%	
May-03	69,133	28,369	1,956	26,413	95,546	31.8%	
Jun-03	61,977	34,238	2,540	31,698	93,675	28.5%	
Jul-03	69,259	33,744	2,193	31,550	100,809	39.4%	
Aug-03	69,103	23,987	2,121	21,866	90,969	21.7%	
Sep-03	68,720	28,284	1,881	26,403	95,124	26.0%	
Oct-03	72,671	24,900	1,745	23,155	95,825	36.8%	
Nov-03	74,132	27,726	2,554	25,172	99,304	44.0%	
Dec-03	78,719	26,271	2,269	24,002	102,722	37.5%	
2003	66,348	28,454	2,093	26,361	92,710	33.5%	
Jan-04	62,220	29,188	2,438	26,750	86,222	3.6%	
Feb-04	71,682	29,188	2,438	26,749	98,432	25.3%	
Mar-04	72,892	29,702	1,686	28,016	100,908	14.9%	
Apr-04	72,124	30,510	2,243	28,267	100,390	12.8%	
May-04	72,707	23,728	2,742	20,985	93,693	-1.9%	
Jun-04	73,868	17,979	3,229	14,750	88,618	-5.4%	
Jul-04	83,105	21,177	5,282	15,895	99,000	-1.8%	
Aug-04	87,141	18,709	8,885	9,824	96,965	6.6%	
Sep-04	90,408	16,588	9,170	7,419	97,826	2.8%	
Oct-04	92,254	17,916	7,615	10,301	102,555	7.0%	
Nov-04	102,389	19,084	10,279	8,805	111,194	12.0%	
Dec-04	100,614	16,300	9,154	7,147	107,761	4.9%	
2004	81,784	22,506	5,430	17,076	98,630	6.4%	
Jan-05	102,863	16,144	10,016	6,127	108,991	26.4%	
Feb-05	104,676	16,258	10,084	6,174	110,850	12.6%	
Mar-05	105,716	16,155	9,975	6,181	111,897	10.9%	
Apr-05	103,666	16,283	10,096	6,187	109,853	9.4%	
May-05	105,481	16,398	10,164	6,234	111,715	19.2%	
Jun-05	106,524	16,296	10,055	6,241	112,764	27.2%	
Jul-05	104,476	16,424	10,177	6,247	110,723	11.8%	
Aug-05	106,293	16,539	10,245	6,294	112,587	16.1%	
Sep-05	107,338	16,438	10,136	6,301	113,639	16.2%	
Oct-05	105,293	16,566	10,259	6,308	111,601	8.8%	
Nov-05	107,113	16,682	10,327	6,355	113,468	2.0%	
Dec-05	108,160	16,581	10,218	6,362	114,522	6.3%	
2005	105,633	16,397	10,146	6,251	111,884	13.4%	

Source: WSD estimates.

USA HRB Equivalent Demand (000 Tonnes)

	HRB					ASC	
	----- Annualized Equivalent-----						
	Shipment	Import	Export	Net Import			
1997	56,797	14,189	2,998	11,191	67,988		
1998	54,561	19,535	2,540	16,995	71,556	5.2%	
1999	58,686	14,243	2,824	11,419	70,105	-2.0%	
2000	63,638	15,145	3,863	11,282	74,920	6.9%	
2001	58,187	11,051	3,449	7,601	65,788	-12.2%	
Jan-02	55,200	11,849	3,159	8,690	63,890	-2.4%	
Feb-02	52,478	13,665	2,799	10,866	63,344	6.1%	
Mar-02	58,656	7,896	2,854	5,041	63,698	-6.1%	
Apr-02	61,213	14,089	3,013	11,077	72,290	4.7%	
May-02	61,447	8,951	2,675	6,276	67,724	-5.1%	
Jun-02	61,203	9,865	2,810	7,056	68,259	-3.2%	
Jul-02	60,337	12,719	2,636	10,083	70,419	11.6%	
Aug-02	63,124	11,603	3,138	8,465	71,590	1.7%	
Sep-02	62,287	13,952	3,288	10,663	72,950	14.9%	
Oct-02	63,610	13,691	3,824	9,867	73,477	8.3%	
Nov-02	55,890	14,732	3,219	11,513	67,403	4.8%	
Dec-02	55,633	14,236	3,156	11,081	66,714	18.3%	
2002	59,257	12,271	3,048	9,223	68,480	4.1%	
Jan-03	60,377	12,952	3,952	9,000	69,378	8.6%	
Feb-03	58,638	9,224	4,341	4,883	63,521	0.3%	
Mar-03	66,389	9,293	8,274	1,019	67,408	5.8%	
Apr-03	64,080	9,289	11,085	-1,797	62,284	-13.8%	
May-03	60,260	8,903	8,357	546	60,805	-10.2%	
Jun-03	62,692	7,273	5,809	1,464	64,156	-6.0%	
Jul-03	60,474	7,922	4,004	3,918	64,393	-8.6%	
Aug-03	61,096	7,276	3,241	4,035	65,131	-9.0%	
Sep-03	64,448	7,948	3,760	4,188	68,636	-5.9%	
Oct-03	65,401	7,601	4,058	3,542	68,943	-6.2%	
Nov-03	61,214	7,299	3,812	3,488	64,702	-4.0%	
Dec-03	63,927	7,269	3,721	3,548	67,475	1.1%	
2003	62,416	8,521	5,368	3,153	65,569	-4.3%	
Jan-04	65,553	8,657	4,217	4,440	69,992	0.9%	
Feb-04	65,048	7,834	4,078	3,757	68,805	8.3%	
Mar-04	71,392	9,757	4,659	5,098	76,489	13.5%	
Apr-04	67,488	10,695	4,079	6,616	74,105	19.0%	
May-04	66,831	13,292	3,720	9,571	76,402	25.7%	
Jun-04	70,927	15,752	3,789	11,963	82,890	29.2%	
Jul-04	65,316	16,138	3,428	12,711	78,027	21.2%	
Aug-04	66,459	18,173	3,744	14,429	80,888	24.2%	
Sep-04	66,276	17,910	3,741	14,169	80,445	17.2%	
Oct-04	67,090	17,328	3,504	13,824	80,914	17.4%	
Nov-04	65,257	17,280	3,528	13,752	79,009	22.1%	
Dec-04	65,741	17,052	3,516	13,536	79,277	17.5%	
2004	66,948	14,156	3,834	10,322	77,270	17.8%	
Jan-05	69,268	10,063	3,983	6,080	75,348	7.7%	
Feb-05	69,204	10,168	4,027	6,141	75,345	9.5%	
Mar-05	71,988	10,470	4,147	6,324	78,312	2.4%	
Apr-05	71,649	10,433	4,130	6,303	77,952	5.2%	
May-05	73,334	10,654	4,216	6,437	79,772	4.4%	
Jun-05	73,289	10,717	4,243	6,474	79,763	-3.8%	
Jul-05	73,613	10,711	4,239	6,471	80,085	2.6%	
Aug-05	72,873	10,595	4,150	6,445	79,318	-1.9%	
Sep-05	70,573	10,474	4,101	6,374	76,947	-4.3%	
Oct-05	69,525	15,019	4,004	11,015	80,540	-0.5%	
Nov-05	68,199	15,048	4,012	11,036	79,235	0.3%	
Dec-05	68,134	15,073	3,959	11,114	79,248	0.0%	
2005	70,971	11,619	4,101	7,518	78,489	1.6%	

Source: WSD estimates.

WORLDSTEELDYNAMICS

Japan HRB Equivalent Demand (000 Tonnes)

South America HRB Equivalent Demand (000 Tonnes)

	HRB					ASC	
	----- Annualized Equivalent-----						
	Shipment	Import	Export	Net Import			
1997	59,664	7,177	19,045	-11,868	47,796		
1998	53,286	6,064	21,117	-15,053	38,232	-20.0%	
1999	53,977	5,537	23,806	-18,270	35,707	-6.6%	
2000	63,141	5,649	29,435	-23,786	39,355	10.2%	
2001	61,423	4,771	27,747	-23,976	38,447	-2.3%	
Jan-02	61,255	4,352	26,850	-22,498	38,757	-19.6%	
Feb-02	58,228	3,928	28,413	-24,484	33,744	-13.3%	
Mar-02	62,784	4,235	31,431	-27,196	35,588	-20.5%	
Apr-02	60,865	3,986	29,099	-25,113	35,753	-4.4%	
May-02	65,979	3,563	36,390	-32,828	33,151	-16.1%	
Jun-02	64,441	3,627	35,865	-32,238	32,203	-15.6%	
Jul-02	67,013	4,162	36,349	-32,187	34,826	-3.3%	
Aug-02	69,647	4,027	37,601	-33,573	36,074	-3.9%	
Sep-02	66,552	3,877	35,478	-31,601	34,951	-8.9%	
Oct-02	68,299	4,495	30,562	-26,067	42,233	20.8%	
Nov-02	67,203	4,069	28,212	-24,144	43,059	20.2%	
Dec-02	67,161	3,784	30,903	-27,119	40,042	26.4%	
2002	64,952	4,009	32,263	-28,254	36,698	-4.5%	
Jan-03	67,337	4,045	27,357	-23,312	44,026	13.6%	
Feb-03	60,527	3,900	29,760	-25,860	34,668	2.7%	
Mar-03	67,843	3,842	31,471	-27,630	40,213	13.0%	
Apr-03	64,687	3,754	29,259	-25,506	39,181	9.6%	
May-03	69,699	3,836	29,823	-25,986	43,713	31.9%	
Jun-03	67,309	4,368	29,643	-25,276	42,033	30.5%	
Jul-03	66,861	4,000	30,482	-26,482	40,379	15.9%	
Aug-03	66,796	3,931	28,444	-24,513	42,283	17.2%	
Sep-03	64,954	3,852	31,483	-27,631	37,323	6.8%	
Oct-03	68,081	4,956	29,813	-24,857	43,224	2.3%	
Nov-03	66,998	4,266	26,767	-22,501	44,497	3.3%	
Dec-03	67,049	4,346	32,375	-28,029	39,019	-2.6%	
2003	66,512	4,091	29,723	-25,632	40,880	11.4%	
Jan-04	67,440	3,777	27,956	-28,032	39,407	-10.5%	
Feb-04	64,602	5,071	30,315	-25,244	39,358	13.5%	
Mar-04	67,165	4,202	29,392	-25,190	41,976	4.4%	
Apr-04	66,299	3,925	28,853	-24,927	41,371	5.6%	
May-04	69,513	4,079	29,637	-25,558	43,955	0.6%	
Jun-04	68,032	4,008	29,293	-25,285	42,747	1.7%	
Jul-04	68,978	4,053	29,533	-25,479	43,499	7.7%	
Aug-04	67,866	4,000	29,277	-25,277	42,589	0.7%	
Sep-04	66,508	3,935	28,963	-25,028	41,480	11.1%	
Oct-04	70,314	4,117	29,890	-25,772	44,542	3.0%	
Nov-04	68,227	4,017	29,400	-25,383	42,844	-3.7%	
Dec-04	66,949	3,956	29,105	-25,148	41,800	7.1%	
2004	67,658	4,095	29,301	-25,527	42,131	3.1%	
Jan-05	68,789	3,939	29,559	-25,620	43,169	9.5%	
Feb-05	65,894	3,871	28,875	-25,004	40,890	3.9%	
Mar-05	68,509	3,995	29,516	-25,521	42,988	2.4%	
Apr-05	67,625	3,885	29,315	-25,430	42,195	2.0%	
May-05	70,903	4,037	30,115	-26,078	44,825	2.0%	
Jun-05	69,393	4,037	29,764	-25,727	43,665	2.1%	
Jul-05	70,358	4,083	30,008	-25,926	44,432	2.1%	
Aug-05	69,223	3,890	29,747	-25,857	43,366	1.8%	
Sep-05	67,838	3,895	29,427	-25,531	42,307	2.0%	
Oct-05	71,720	4,147	30,372	-26,225	45,496	2.1%	
Nov-05	69,592	3,977	29,872	-25,895	43,696	2.0%	
Dec-05	68,288	3,916	29,571	-25,654	42,633	2.0%	
2005	69,011	3,973	29,678	-25,706	43,305	2.8%	

	HRB					ASC	
	----- Annualized Equivalent-----						
	Shipment	Import	Export	Net Import			
1997	21,715	2,699	5,499	-2,799	18,916		
1998	20,489	2,895	5,126	-2,232	18,258	-3.5%	
1999	20,299	2,638	5,697	-3,059	17,240	-5.6%	
2000	22,181	3,530	5,476	-1,947	20,234	17.4%	
2001	20,617	3,861	4,840	-979	19,637	-3.0%	
Jan-02	19,511	3,309	4,399	-1,090	18,421	-1.6%	
Feb-02	19,575	3,310	4,508	-1,197	18,377	-6.0%	
Mar-02	20,656	3,354	4,574	-1,220	19,436	-6.4%	
Apr-02	20,328	3,274	4,900	-1,626	18,702	-9.2%	
May-02	22,131	3,654	5,656	-2,002	20,130	-0.2%	
Jun-02	22,560	3,860	4,551	-692	21,868	19.2%	
Jul-02	22,836	4,542	6,894	-2,352	20,483	15.3%	
Aug-02	23,531	4,366	6,726	-2,360	21,171	12.7%	
Sep-02	23,226	3,862	6,938	-3,076	20,150	-4.1%	
Oct-02	24,112	3,758	6,339	-2,581	21,531	3.0%	
Nov-02	23,287	3,894	7,728	-3,834	19,453	-2.8%	
Dec-02	24,139	3,492	5,766	-2,273	21,866	14.8%	
2002	22,158	3,723	5,748	-2,025	20,132	2.5%	
Jan-03	23,301	3,652	5,383	-1,731	21,570	17.1%	
Feb-03	22,211	3,422	4,263	-841	21,370	16.3%	
Mar-03	26,357	4,015	7,191	-3,176	23,180	19.3%	
Apr-03	25,362	3,702	5,406	-1,704	23,658	26.5%	
May-03	26,077	3,885	6,220	-2,335	23,743	17.9%	
Jun-03	25,263	3,714	5,116	-1,402	23,861	9.1%	
Jul-03	24,636	3,609	6,117	-2,509	22,127	8.0%	
Aug-03	24,373	3,265	4,576	-1,311	23,062	8.9%	
Sep-03	24,956	3,801	7,565	-3,765	21,191	5.2%	
Oct-03	25,145	3,916	8,479	-4,563	20,582	-4.4%	
Nov-03	25,027	3,755	7,411	-3,656	21,371	9.9%	
Dec-03	25,220	3,646	6,983	-3,337	21,883	0.1%	
2003	24,827	3,698	6,226	-2,528	22,300	10.8%	
Jan-04	25,605	3,685	3,392	293	25,898	20.1%	
Feb-04	25,099	3,639	7,425	-3,786	21,313	-0.3%	
Mar-04	26,854	4,157	6,143	-1,986	24,868	7.3%	
Apr-04	25,751	3,993	5,382	-1,389	24,362	3.0%	
May-04	26,116	3,980	5,483	-1,503	24,613	3.7%	
Jun-04	26,489	4,006	5,660	-1,654	24,835	4.1%	
Jul-04	27,570	4,183	5,943	-1,760	25,810	16.6%	
Aug-04	27,497	4,065	5,949	-1,884	25,613	11.1%	
Sep-04	26,834	4,023	5,757	-1,734	25,100	18.4%	
Oct-04	26,852	4,081	5,870	-1,789	25,063	21.8%	
Nov-04	27,092	4,061	6,020	-1,958	25,134	17.6%	
Dec-04	26,557	3,973	5,722	-1,748	24,808	13.4%	
2004	26,526	3,987	5,729	-1,742	24,785	11.1%	
Jan-05	26,033	3,967	5,493	-1,526	24,506	-5.4%	
Feb-05	25,517	3,903	5,509	-1,606	23,911	12.2%	
Mar-05	27,304	4,215	5,863	-1,648	25,656	3.2%	
Apr-05	26,182	4,075	5,470	-1,395	24,787	1.7%	
May-05	26,554	4,054	5,574	-1,520	25,034	1.7%	
Jun-05	26,933	4,068	5,754	-1,686	25,247	1.7%	
Jul-05	28,033	4,255	6,040	-1,785	26,248	1.7%	
Aug-05	27,958	4,120	6,047	-1,926	26,032	1.6%	
Sep-05	27,284	4,107	5,852	-1,745	25,539	1.7%	
Oct-05	27,302	4,152	5,967	-1,815	25,487	1.7%	
Nov-05	27,545	4,047	6,118	-2,071	25,474	1.4%	
Dec-05	27,002	4,005	5,816	-1,811	25,190	1.5%	
2005	26,971	4,081	5,792	-1,711	25,259	1.9%	

Source: WSD estimates.

Source: WSD estimates.

WORLDSTEELDYNAMICS

CIS HRB Equivalent Demand (000 Tonnes)

	HRB					ASC	
	----- Annualized Equivalent-----						
	Shipment	Import	Export	Net Import	ASC		
1997	32,029	1,118	16,900	-15,782	16,247		
1998	29,375	962	16,649	-15,687	13,687	-15.8%	
1999	31,336	965	22,642	-21,677	9,660	-29.4%	
2000	36,843	999	24,122	-23,124	13,719	42.0%	
2001	35,878	1,040	21,214	-20,174	15,704	14.5%	
Jan-02	35,806	1,105	17,286	-16,181	19,625	23.3%	
Feb-02	35,377	1,104	17,982	-16,878	18,499	19.1%	
Mar-02	36,998	1,110	17,266	-16,156	20,842	32.1%	
Apr-02	36,340	1,406	17,487	-16,081	20,259	26.4%	
May-02	37,152	1,406	17,342	-15,935	21,216	32.8%	
Jun-02	36,632	1,406	17,304	-15,898	20,734	30.0%	
Jul-02	37,160	1,375	21,954	-20,579	16,581	5.1%	
Aug-02	40,115	1,376	21,803	-20,428	19,688	24.8%	
Sep-02	36,776	1,375	20,705	-19,329	17,447	10.6%	
Oct-02	37,983	1,434	18,880	-17,446	20,538	30.4%	
Nov-02	36,451	1,433	19,138	-17,704	18,747	25.0%	
Dec-02	37,803	1,433	18,622	-17,189	20,614	35.8%	
2002	37,049	1,330	18,814	-17,484	19,566	24.6%	
Jan-03	39,315	1,308	18,265	-16,956	22,359	13.9%	
Feb-03	34,895	1,311	18,380	-17,069	17,827	-3.6%	
Mar-03	40,152	1,337	18,007	-16,670	23,482	12.7%	
Apr-03	40,152	2,146	18,548	-16,402	23,750	17.2%	
May-03	40,454	2,141	18,227	-16,085	24,369	14.9%	
Jun-03	40,084	2,079	18,340	-16,261	23,823	14.9%	
Jul-03	40,458	2,362	20,159	-17,797	22,661	36.7%	
Aug-03	40,580	2,317	19,001	-16,684	23,896	21.4%	
Sep-03	40,093	2,310	17,779	-15,469	24,624	41.1%	
Oct-03	40,416	1,682	18,553	-16,871	23,545	14.6%	
Nov-03	39,243	1,573	17,554	-15,981	23,262	24.1%	
Dec-03	41,640	1,603	19,014	-17,411	24,229	17.5%	
2003	39,790	1,848	18,486	-16,638	23,152	18.3%	
Jan-04	40,618	1,280	11,108	-9,827	30,791	37.7%	
Feb-04	38,335	1,419	15,945	-14,526	23,809	33.6%	
Mar-04	42,165	1,554	17,487	-15,933	26,232	11.7%	
Apr-04	39,673	1,292	14,697	-13,405	26,268	10.6%	
May-04	41,487	1,364	15,207	-13,843	27,645	13.4%	
Jun-04	41,216	1,357	15,159	-13,802	27,414	15.1%	
Jul-04	41,428	1,357	15,227	-13,870	27,558	21.6%	
Aug-04	42,036	1,369	15,476	-14,107	27,929	16.9%	
Sep-04	42,209	1,384	15,528	-14,145	28,064	14.0%	
Oct-04	41,784	1,378	15,354	-13,976	27,808	18.1%	
Nov-04	40,823	1,319	14,952	-13,633	27,190	16.9%	
Dec-04	40,336	1,314	14,994	-13,680	26,657	10.0%	
2004	41,009	1,366	15,094	-13,729	27,280	17.8%	
Jan-05	41,024	1,489	15,065	-13,576	27,448	-10.9%	
Feb-05	38,719	1,508	14,253	-12,745	25,974	9.1%	
Mar-05	41,782	1,493	15,642	-14,149	27,633	5.3%	
Apr-05	40,070	1,800	14,844	-13,044	27,025	2.9%	
May-05	41,902	1,777	15,359	-13,582	28,320	2.4%	
Jun-05	41,628	1,777	15,311	-13,534	28,094	2.5%	
Jul-05	41,842	2,095	15,379	-13,284	28,558	3.6%	
Aug-05	42,456	2,041	15,631	-13,589	28,867	3.4%	
Sep-05	42,631	2,026	15,684	-13,658	28,973	3.2%	
Oct-05	42,202	1,732	15,508	-13,776	28,426	2.2%	
Nov-05	41,231	1,683	15,102	-13,419	27,812	2.3%	
Dec-05	40,740	1,671	15,144	-13,472	27,267	2.3%	
2005	41,352	1,758	15,243	-13,486	27,867	2.1%	

Source: WSD estimates.

OMA HRB Equivalent Demand (000 Tonnes)

	HRB					ASC	
	----- Annualized Equivalent-----						
	Shipment	Import	Export	Net Import	ASC		
1997	52,591	7,455	14,159	-6,704	45,887		
1998	50,200	3,879	17,978	-14,100	36,101	-21.3%	
1999	59,699	8,482	18,284	-9,802	49,898	38.2%	
2000	63,982	9,072	19,747	-10,675	53,307	6.8%	
2001	60,864	8,106	18,292	-10,186	50,678	-4.9%	
Jan-02	66,088	9,280	19,164	-9,884	56,204	19.2%	
Feb-02	56,186	7,418	16,766	-9,348	46,838	-0.2%	
Mar-02	65,848	8,484	20,697	-12,213	53,636	7.6%	
Apr-02	63,501	9,718	18,079	-8,361	55,141	4.5%	
May-02	65,265	8,949	18,384	-9,434	55,831	6.2%	
Jun-02	65,659	10,434	19,713	-9,279	56,380	5.0%	
Jul-02	65,483	9,967	18,629	-8,662	56,821	11.5%	
Aug-02	64,493	11,177	19,091	-7,914	56,579	12.3%	
Sep-02	64,351	13,088	18,163	-5,075	59,276	18.7%	
Oct-02	68,617	11,370	18,637	-7,268	61,350	20.4%	
Nov-02	69,547	9,837	17,709	-7,873	61,674	17.4%	
Dec-02	69,402	9,956	22,712	-12,756	56,646	12.2%	
2002	65,370	9,973	18,979	-9,006	56,365	11.2%	
Jan-03	70,170	11,333	21,525	-10,193	59,977	6.7%	
Feb-03	62,628	8,468	19,505	-11,037	51,591	10.1%	
Mar-03	71,652	10,732	22,440	-11,709	59,943	11.8%	
Apr-03	68,858	9,822	19,931	-10,109	58,749	6.5%	
May-03	70,811	11,368	19,456	-8,089	62,722	12.3%	
Jun-03	68,264	11,357	19,738	-8,381	59,883	6.2%	
Jul-03	70,015	12,623	20,522	-7,899	62,116	9.3%	
Aug-03	70,587	11,613	20,079	-8,465	62,122	9.8%	
Sep-03	69,631	9,450	22,632	-13,183	56,448	-4.8%	
Oct-03	73,846	12,049	23,080	-11,031	62,815	2.4%	
Nov-03	71,484	9,003	23,283	-14,280	57,204	-7.2%	
Dec-03	73,892	7,455	23,812	-16,357	57,535	1.6%	
2003	70,153	10,439	21,334	-10,894	59,259	5.1%	
Jan-04	71,888	11,351	24,346	-2,995	68,893	14.9%	
Feb-04	70,229	11,309	22,635	-11,326	58,903	14.2%	
Mar-04	73,640	10,002	22,351	-12,349	61,291	2.2%	
Apr-04	69,761	10,234	19,958	-9,724	60,037	2.2%	
May-04	72,112	10,543	20,575	-10,032	62,081	-1.0%	
Jun-04	70,031	10,209	19,988	-9,780	60,252	0.6%	
Jul-04	69,911	9,998	19,967	-9,970	59,941	-3.5%	
Aug-04	69,400	9,920	19,791	-9,870	59,530	-4.2%	
Sep-04	71,166	10,170	20,042	-9,872	61,294	8.6%	
Oct-04	73,412	10,681	21,117	-10,436	62,976	0.3%	
Nov-04	73,703	10,684	20,899	-10,216	63,487	11.0%	
Dec-04	74,389	10,666	21,053	-10,387	64,002	11.2%	
2004	71,637	10,481	21,060	-9,746	61,891	4.4%	
Jan-05	75,698	10,752	21,350	-10,599	65,099	-5.5%	
Feb-05	74,132	10,626	21,044	-10,418	63,715	8.2%	
Mar-05	77,506	11,158	22,079	-10,920	66,586	8.6%	
Apr-05	73,402	10,731	21,062	-10,331	63,070	5.1%	
May-05	75,619	11,026	21,645	-10,619	65,000	4.7%	
Jun-05	73,599	10,734	21,059	-10,324	63,275	5.0%	
Jul-05	73,660	10,585	21,074	-10,490	63,170	5.4%	
Aug-05	73,556	10,407	21,032	-10,624	62,931	5.7%	
Sep-05	75,251	10,676	21,253	-10,577	64,674	5.5%	
Oct-05	77,228	11,297	22,254	-10,957	66,272	5.2%	
Nov-05	71,772	10,770	20,528	-9,758	62,014	-2.3%	
Dec-05	72,523	10,749	20,699	-9,950	62,573	-2.2%	
2005	74,495	10,793	21,257	-10,464	64,032	3.5%	

Source: WSD estimates.

WORLDSTEELDYNAMICS

North America HRB Equivalent Demand (000 Tonnes)

	HRB					ASC	
	----- Annualized Equivalent-----						
	Shipment	Import	Export	Net Import			
1997	69,528	17,205	5,193	12,012	81,541		
1998	66,914	23,034	4,740	18,294	85,208		4.5%
1999	72,098	17,302	5,048	12,254	84,352		-1.0%
2000	77,285	19,284	6,248	13,036	90,320		7.1%
2001	71,272	13,496	5,662	7,834	79,106		-12.4%
Jan-02	68,252	14,331	5,779	8,552	76,804		-3.6%
Feb-02	65,044	15,697	5,369	10,327	75,371		4.4%
Mar-02	71,720	10,118	5,817	4,301	76,021		-7.5%
Apr-02	75,165	16,617	6,571	10,045	85,210		4.1%
May-02	75,739	11,873	6,012	5,861	81,600		-4.0%
Jun-02	74,371	12,979	6,030	6,949	81,320		-3.4%
Jul-02	73,083	15,713	6,075	9,639	82,721		9.8%
Aug-02	75,151	14,851	6,320	8,531	83,682		-1.8%
Sep-02	74,445	16,397	6,305	10,092	84,538		10.7%
Oct-02	75,965	16,638	6,764	9,873	85,838		3.3%
Nov-02	67,674	18,547	5,803	12,744	80,418		2.8%
Dec-02	67,605	17,220	5,701	11,519	79,124		19.9%
2002	72,018	15,082	6,046	9,036	81,054		2.5%
Jan-03	72,672	15,690	6,731	8,959	81,631		6.3%
Feb-03	70,344	11,043	6,666	4,377	74,722		-0.9%
Mar-03	80,065	11,382	11,086	297	80,362		5.7%
Apr-03	76,916	12,742	14,301	-1,559	75,357		-11.6%
May-03	72,414	11,663	11,539	124	72,538		-11.1%
Jun-03	75,061	9,356	8,541	816	75,877		-6.7%
Jul-03	72,143	9,666	6,746	2,921	75,064		-9.3%
Aug-03	72,504	9,348	5,843	3,505	76,009		-9.2%
Sep-03	77,023	9,629	6,642	2,987	80,010		-5.4%
Oct-03	78,582	9,961	7,115	2,845	81,428		-5.1%
Nov-03	73,658	10,113	6,457	3,657	77,314		-3.9%
Dec-03	76,119	9,749	6,074	3,676	79,795		0.8%
2003	74,792	10,862	8,145	2,717	77,509		-4.4%
Jan-04	78,302	10,300	6,759	3,541	81,843		0.3%
Feb-04	77,638	10,489	6,588	3,901	81,540		9.1%
Mar-04	84,608	12,543	7,294	5,249	89,858		11.8%
Apr-04	80,051	13,344	6,584	6,761	86,811		15.2%
May-04	79,636	15,992	6,273	9,718	89,355		23.2%
Jun-04	83,069	18,312	6,210	12,102	95,171		25.4%
Jul-04	77,598	18,728	5,877	12,852	90,450		20.5%
Aug-04	79,414	20,904	6,327	14,578	93,992		23.7%
Sep-04	79,655	20,646	6,328	14,318	93,973		17.5%
Oct-04	81,603	11,019	7,861	3,159	84,762		4.1%
Nov-04	79,950	10,859	7,788	3,072	83,022		7.4%
Dec-04	73,551	10,017	7,201	2,816	76,367		-4.3%
2004	79,590	14,430	6,757	7,672	87,262		12.6%
Jan-05	82,203	11,147	6,562	4,585	86,789		6.0%
Feb-05	79,996	10,864	6,412	4,452	84,448		3.6%
Mar-05	87,582	11,843	6,938	4,905	92,487		2.9%
Apr-05	83,981	11,346	6,637	4,709	88,690		2.2%
May-05	86,327	11,653	6,807	4,846	91,173		2.0%
Jun-05	84,392	11,358	6,600	4,758	89,150		-6.3%
Jul-05	85,796	11,541	6,701	4,840	90,636		0.2%
Aug-05	87,679	11,831	6,906	4,925	92,604		-1.5%
Sep-05	87,062	11,758	6,873	4,885	91,947		-2.2%
Oct-05	83,995	11,355	6,649	4,706	88,701		4.6%
Nov-05	83,498	11,335	6,685	4,650	88,148		6.2%
Dec-05	80,357	10,885	6,396	4,489	84,846		11.1%
2005	84,406	11,410	6,680	4,729	89,135		2.1%

Source: WSD estimates.

WORLDSTEELDYNAMICS

WORLD LP Equivalent Demand (000 Tonnes)

Europe LP Equivalent Demand (000 Tonnes)

----- Annualized Equivalent-----							----- Annualized Equivalent-----						
	Shipment	Import	Export	Net Import	ASC	v-v% change		Shipment	Import	Export	Net Import	ASC	v-v% change
1997	369,941	59,040	59,040	0	369,941		1997	74,575	18,170	25,575	-7,405	67,171	
1998	366,848	57,390	57,390	0	366,848	-0.8%	1998	75,422	20,260	24,480	-4,220	71,202	6.0%
1999	350,841	56,239	56,239	0	350,841	-4.4%	1999	68,842	21,185	23,207	-2,022	66,820	-6.2%
2000	367,978	62,554	62,554	0	367,978	4.9%	2000	72,967	21,682	25,778	-4,096	68,871	3.1%
2001	383,138	63,527	63,527	0	383,138	4.1%	2001	73,396	22,263	25,414	-3,151	70,245	2.0%
Jan-02	379,956	57,462	57,462	0	379,956	-0.8%	Jan-02	66,194	20,061	23,683	-3,622	62,573	-14.3%
Feb-02	363,826	58,689	58,689	0	363,826	1.2%	Feb-02	66,735	20,464	24,174	-3,710	63,025	-11.0%
Mar-02	404,703	65,281	65,281	0	404,703	1.8%	Mar-02	75,910	21,483	25,581	-4,098	71,812	-5.6%
Apr-02	395,902	64,008	64,008	0	395,902	2.3%	Apr-02	72,837	22,923	26,591	-3,668	69,169	-5.6%
May-02	413,716	66,486	66,486	0	413,716	4.9%	May-02	74,204	21,500	27,007	-5,507	68,697	-6.0%
Jun-02	407,705	65,693	65,693	0	407,705	5.2%	Jun-02	73,042	21,325	28,002	-6,677	66,365	-8.1%
Jul-02	407,620	68,017	68,017	0	407,620	6.1%	Jul-02	70,451	22,158	25,672	-3,514	66,937	-0.4%
Aug-02	408,234	61,670	61,670	0	408,234	8.1%	Aug-02	66,236	16,897	19,432	-2,535	63,700	-1.4%
Sep-02	413,819	65,252	65,252	0	413,819	7.4%	Sep-02	74,263	20,399	23,950	-2,987	70,712	-2.2%
Oct-02	423,104	68,388	68,388	0	423,104	7.9%	Oct-02	75,391	24,064	28,408	-4,344	71,048	-3.1%
Nov-02	414,410	67,319	67,319	0	414,410	9.8%	Nov-02	72,580	21,650	26,705	-5,055	67,524	0.6%
Dec-02	415,587	61,507	61,507	0	415,587	11.8%	Dec-02	68,050	18,669	21,577	-2,907	65,143	8.9%
2002	404,048	64,148	64,148	0	404,048	5.5%	2002	71,324	20,966	25,065	-4,099	67,225	-4.3%
Jan-03	416,675	64,554	64,554	0	416,675	9.7%	Jan-03	72,767	21,216	24,912	-3,696	69,071	10.4%
Feb-03	395,500	64,474	64,474	0	395,500	8.7%	Feb-03	70,392	22,463	25,555	-3,091	67,301	6.8%
Mar-03	444,047	69,771	69,771	0	444,047	9.7%	Mar-03	81,361	23,248	25,963	-2,715	78,645	9.5%
Apr-03	432,835	68,727	68,727	0	432,835	9.3%	Apr-03	76,220	23,791	26,778	-2,987	73,233	5.9%
May-03	446,620	70,059	70,059	0	446,620	8.0%	May-03	78,727	23,551	25,317	-1,765	76,962	12.0%
Jun-03	436,415	72,616	72,616	0	436,415	7.0%	Jun-03	73,494	23,776	26,431	-2,655	70,839	6.7%
Jul-03	434,132	70,681	70,681	0	434,132	6.5%	Jul-03	71,750	25,291	25,620	-330	71,420	6.7%
Aug-03	429,697	59,440	59,440	0	429,697	5.3%	Aug-03	66,985	15,188	18,345	-3,156	63,828	0.2%
Sep-03	435,680	70,678	70,678	0	435,680	5.3%	Sep-03	73,898	23,964	26,010	-2,047	71,851	1.6%
Oct-03	453,554	74,830	74,830	0	453,554	7.2%	Oct-03	78,047	24,793	29,634	-4,841	73,206	3.0%
Nov-03	451,677	67,012	67,012	0	451,677	9.0%	Nov-03	76,443	23,296	24,722	-1,426	75,017	11.1%
Dec-03	448,490	66,119	66,119	0	448,490	7.9%	Dec-03	71,501	17,781	21,892	-4,110	67,391	3.5%
2003	435,444	68,247	68,247	0	435,444	7.8%	2003	74,299	22,363	25,098	-2,735	71,564	6.5%
Jan-04	442,905	66,025	66,025	0	442,905	6.3%	Jan-04	77,004	21,324	17,444	3,880	80,884	17.1%
Feb-04	436,497	64,902	64,902	0	436,497	10.4%	Feb-04	74,313	20,224	23,231	-3,007	71,307	6.0%
Mar-04	472,974	66,244	66,244	0	472,974	6.5%	Mar-04	81,849	20,865	23,733	-2,868	78,981	0.4%
Apr-04	456,200	68,943	68,943	0	456,200	5.4%	Apr-04	79,657	23,011	26,183	-3,172	76,485	4.4%
May-04	466,270	75,293	75,293	0	466,270	4.4%	May-04	81,845	23,551	25,317	-1,765	80,080	4.1%
Jun-04	459,765	75,470	75,470	0	459,765	5.4%	Jun-04	80,211	23,776	26,431	-2,655	77,556	9.5%
Jul-04	468,382	74,132	74,132	0	468,382	7.9%	Jul-04	77,256	25,291	25,620	-330	76,927	7.7%
Aug-04	471,763	65,177	65,177	0	471,763	9.8%	Aug-04	71,015	15,188	18,345	-3,156	67,859	6.3%
Sep-04	483,237	77,029	77,029	0	483,237	10.9%	Sep-04	78,669	23,964	26,010	-2,047	76,622	6.6%
Oct-04	498,268	78,837	78,837	0	498,268	9.9%	Oct-04	80,181	24,793	29,634	-4,841	75,340	2.9%
Nov-04	496,908	74,126	74,126	0	496,908	10.0%	Nov-04	79,959	23,296	24,722	-1,426	78,533	4.7%
Dec-04	489,967	67,559	67,559	0	489,967	9.2%	Dec-04	72,159	17,781	21,892	-4,110	68,049	1.0%
2004F	470,261	71,145	71,145	0	470,261	8.0%	2004F	77,843	21,922	24,047	-2,125	75,718	5.8%
Jan-05	489,834	65,273	65,273	0	489,834	10.6%	Jan-05	78,668	20,094	24,300	-4,206	74,462	-7.9%
Feb-05	490,484	64,831	64,831	0	490,484	12.4%	Feb-05	78,668	20,363	23,231	-2,868	75,799	6.3%
Mar-05	501,730	66,137	66,137	0	501,730	6.1%	Mar-05	83,553	20,969	23,733	-2,763	80,789	2.3%
Apr-05	492,449	68,978	68,978	0	492,449	7.9%	Apr-05	81,351	23,147	26,183	-3,037	78,314	2.4%
May-05	502,028	75,244	75,244	0	502,028	7.7%	May-05	83,586	23,473	25,317	-1,843	81,743	2.1%
Jun-05	497,856	75,434	75,434	0	497,856	8.3%	Jun-05	81,948	23,749	26,431	-2,681	79,267	2.2%
Jul-05	498,281	73,817	73,817	0	498,281	6.4%	Jul-05	78,967	25,106	25,620	-514	78,453	2.0%
Aug-05	491,873	64,950	64,950	0	491,873	4.3%	Aug-05	72,599	15,097	18,345	-3,247	69,351	2.2%
Sep-05	501,051	76,792	76,792	0	501,051	3.7%	Sep-05	80,310	23,690	26,010	-2,321	77,989	1.8%
Oct-05	508,135	78,475	78,475	0	508,135	2.0%	Oct-05	81,817	24,436	29,634	-5,198	76,619	1.7%
Nov-05	506,548	74,051	74,051	0	506,548	1.9%	Nov-05	81,616	23,315	24,722	-1,407	80,209	2.1%
Dec-05	492,256	67,522	67,522	0	492,256	0.5%	Dec-05	73,733	17,851	21,892	-4,041	69,692	2.4%
2005F	497,710	70,959	70,959	0	497,710	5.8%	2005F	79,735	21,774	24,618	-2,844	76,891	1.5%

Source: WSD estimates.

Source: WSD estimates.

WORLDSTEELDYNAMICS

China LP Equivalent Demand (000 Tonnes)

Japan LP Equivalent Demand (000 Tonnes)

Year	----- Annualized Equivalent-----						v-v% change	Year	----- Annualized Equivalent-----						v-v% change
	Shipment	Import	Export	Net Import	ASC	Shipment			Import	Export	Net Import	ASC			
1997	73,119	4,358	2,219	2,139	75,259		1997	44,843	1,527	6,965	-5,438	39,405			
1998	77,955	3,988	1,728	2,260	80,215	6.6%	1998	39,204	859	8,140	-7,281	31,923	-19.0%		
1999	81,524	2,596	1,323	1,273	82,797	3.2%	1999	37,725	1,073	6,341	-5,268	32,457	1.7%		
2000	80,288	1,775	2,989	-1,213	79,075	-4.5%	2000	42,275	1,242	6,487	-5,245	37,030	14.1%		
2001	102,102	2,296	2,382	-87	102,015	29.0%	2001	41,379	792	7,078	-6,286	35,093	-5.2%		
Jan-02	106,948	2,035	1,502	533	107,481	14.8%	Jan-02	39,984	660	7,671	-7,012	32,972	-18.1%		
Feb-02	102,343	2,342	1,668	674	103,017	16.5%	Feb-02	37,086	635	7,510	-6,876	30,210	-9.9%		
Mar-02	113,954	3,246	2,460	786	114,740	16.5%	Mar-02	41,042	428	9,112	-8,683	32,359	-11.8%		
Apr-02	111,992	3,276	2,638	638	112,630	18.4%	Apr-02	41,277	407	8,214	-7,806	33,470	-9.3%		
May-02	118,239	3,627	2,780	847	119,086	20.5%	May-02	44,265	383	8,709	-8,326	35,938	-4.2%		
Jun-02	116,183	3,989	2,519	1,469	117,652	16.5%	Jun-02	43,093	248	8,487	-8,239	34,854	-4.0%		
Jul-02	118,771	4,480	2,676	1,804	120,574	17.0%	Jul-02	42,318	472	8,879	-8,407	33,911	-3.1%		
Aug-02	120,366	4,147	4,845	-698	119,668	15.6%	Aug-02	43,565	371	9,182	-8,810	34,754	0.5%		
Sep-02	119,013	3,312	3,735	-423	118,590	15.1%	Sep-02	43,010	413	8,245	-7,832	35,178	2.9%		
Oct-02	122,477	2,399	3,147	-748	121,729	11.5%	Oct-02	44,582	382	8,088	-7,707	36,875	12.0%		
Nov-02	124,877	2,874	2,593	281	125,158	11.8%	Nov-02	43,866	394	7,577	-7,183	36,683	13.5%		
Dec-02	129,991	3,825	3,225	600	130,591	10.6%	Dec-02	43,838	309	8,317	-8,008	35,831	15.9%		
2002	117,096	3,296	2,816	480	117,576	15.3%	2002	42,327	425	8,333	-7,907	34,420	-1.9%		
Jan-03	120,451	4,080	2,739	1,341	121,792	13.3%	Jan-03	41,138	437	6,966	-6,528	34,610	5.0%		
Feb-03	121,106	3,829	2,725	1,104	122,211	18.6%	Feb-03	36,978	388	8,003	-7,615	29,363	-2.8%		
Mar-03	132,730	5,147	3,842	1,305	134,035	16.8%	Mar-03	41,447	350	9,009	-8,659	32,788	1.3%		
Apr-03	135,209	6,505	4,170	2,335	137,545	22.1%	Apr-03	39,519	545	7,410	-6,865	32,654	-2.4%		
May-03	143,832	5,680	4,861	819	144,651	21.5%	May-03	42,581	578	9,176	-8,598	33,982	-5.4%		
Jun-03	143,583	4,786	4,409	378	143,960	22.4%	Jun-03	41,120	546	8,568	-8,022	33,098	-5.0%		
Jul-03	143,177	6,354	3,792	2,562	145,739	20.9%	Jul-03	40,847	730	9,126	-8,396	32,451	-4.3%		
Aug-03	147,707	6,118	3,046	3,072	150,778	26.0%	Aug-03	40,807	216	8,427	-8,211	32,597	-6.2%		
Sep-03	149,484	8,225	3,145	5,080	154,565	30.3%	Sep-03	39,682	337	9,122	-8,786	30,896	-12.2%		
Oct-03	154,497	6,006	3,452	2,554	157,051	29.0%	Oct-03	41,593	351	8,995	-8,644	32,949	-10.6%		
Nov-03	159,760	6,307	3,342	2,964	162,724	30.0%	Nov-03	40,931	324	7,816	-7,492	33,439	-8.8%		
Dec-03	157,156	7,143	3,292	3,851	161,007	23.3%	Dec-03	40,962	281	9,484	-9,203	31,758	-11.4%		
2003	142,391	5,848	3,568	2,280	144,671	23.0%	2003	40,634	424	8,508	-8,085	32,549	-5.4%		
Jan-04	137,245	7,501	3,917	3,584	140,830	15.6%	Jan-04	43,374	635	7,930	-7,295	36,079	4.2%		
Feb-04	145,503	7,430	3,917	3,513	149,016	21.9%	Feb-04	41,549	370	7,930	-7,560	33,989	15.8%		
Mar-04	161,169	8,034	3,234	4,800	165,969	23.8%	Mar-04	43,198	452	8,721	-8,269	34,929	6.5%		
Apr-04	153,992	5,191	4,785	406	154,397	12.3%	Apr-04	42,640	545	7,445	-6,900	35,740	9.5%		
May-04	155,297	3,200	6,571	-3,371	151,927	5.0%	May-04	44,707	578	9,176	-8,598	36,109	6.3%		
Jun-04	153,424	2,407	6,320	-3,913	149,510	3.9%	Jun-04	43,755	546	8,568	-8,022	35,733	8.0%		
Jul-04	162,201	3,011	6,718	-3,707	158,495	8.8%	Jul-04	44,364	730	9,126	-8,396	35,968	10.8%		
Aug-04	172,294	2,684	7,125	-4,442	167,852	11.3%	Aug-04	43,648	216	8,427	-8,211	35,438	8.7%		
Sep-04	175,259	3,742	7,401	-3,659	171,600	11.0%	Sep-04	42,775	337	9,122	-8,786	33,989	10.0%		
Oct-04	183,956	2,608	7,503	-4,895	179,061	14.0%	Oct-04	45,223	351	8,995	-8,644	36,579	11.0%		
Nov-04	184,683	2,596	7,051	-4,455	180,228	10.8%	Nov-04	43,881	324	7,816	-7,492	36,389	8.8%		
Dec-04	192,189	2,974	7,564	-4,591	187,598	16.5%	Dec-04	43,059	281	9,484	-9,203	33,855	6.6%		
2004F	164,768	4,281	6,009	-1,727	163,040	12.7%	2004F	43,514	447	8,562	-8,115	35,400	8.8%		
Jan-05	178,319	5,358	4,400	958	179,277	27.3%	Jan-05	44,242	367	7,930	-7,564	36,678	1.7%		
Feb-05	178,319	5,307	3,305	2,002	180,321	21.0%	Feb-05	44,242	370	7,930	-7,560	36,681	7.9%		
Mar-05	179,391	5,739	2,193	3,546	182,937	10.2%	Mar-05	44,062	452	8,721	-8,269	35,793	2.5%		
Apr-05	179,929	3,708	4,170	-462	179,467	16.2%	Apr-05	43,493	545	7,445	-6,900	36,593	2.4%		
May-05	180,469	2,286	7,792	-5,506	174,963	15.2%	May-05	45,602	578	9,176	-8,598	37,003	2.5%		
Jun-05	181,010	1,719	6,560	-4,841	176,169	17.8%	Jun-05	44,630	546	8,568	-8,022	36,608	2.4%		
Jul-05	181,553	2,151	6,704	-4,553	177,000	11.7%	Jul-05	45,251	730	9,126	-8,396	36,855	2.5%		
Aug-05	182,098	1,917	7,230	-5,313	176,785	5.3%	Aug-05	44,521	216	8,427	-8,211	36,311	2.5%		
Sep-05	182,644	2,673	7,160	-4,487	178,157	3.8%	Sep-05	43,631	337	9,122	-8,786	34,845	2.5%		
Oct-05	183,192	1,863	7,427	-5,564	177,628	-0.8%	Oct-05	46,128	351	8,995	-8,644	37,484	2.5%		
Nov-05	183,741	1,854	7,266	-5,412	178,329	-1.1%	Nov-05	44,758	324	7,816	-7,492	37,267	2.4%		
Dec-05	184,293	2,124	7,434	-5,310	178,983	-4.6%	Dec-05	43,920	281	9,484	-9,203	34,716	2.5%		
2005F	181,246	3,058	5,970	-2,912	178,335	9.4%	2005F	44,540	425	8,562	-8,137	36,403	2.8%		

Source: WSD estimates.

Source: WSD estimates.

WORLDSTEELDYNAMICS

South America LP Equivalent Demand (000 Tonnes)

CIS LP Equivalent Demand (000 Tonnes)

	----- Annualized Equivalent-----						y-y% change		----- Annualized Equivalent-----						y-y% change
	Shipment	Import	Export	Net Import	ASC				Shipment	Import	Export	Net Import	ASC		
1997	22,008	753	2,435	-1,683	20,326			1997	28,588	0	11,856	-11,856	16,733		
1998	22,396	895	1,987	-1,092	21,304	4.8%		1998	28,339	1,421	7,973	-6,552	21,787	30.2%	
1999	20,546	644	2,084	-1,440	19,105	-10.3%		1999	27,723	1,292	12,009	-10,717	17,007	-21.9%	
2000	23,948	540	2,135	-1,595	22,353	17.0%		2000	34,712	2,088	14,041	-11,953	22,759	33.8%	
2001	21,473	593	2,109	-1,516	19,957	-10.7%		2001	36,683	2,276	16,231	-13,956	22,728	-0.1%	
Jan-02	19,542	379	1,912	-1,533	18,009	-13.5%		Jan-02	33,191	1,274	12,845	-11,570	21,621	-4.3%	
Feb-02	20,100	472	1,823	-1,351	18,749	-1.3%		Feb-02	31,490	1,274	15,042	-13,767	17,723	-17.2%	
Mar-02	21,561	183	2,694	-2,512	19,049	-13.0%		Mar-02	35,657	1,274	16,323	-15,049	20,609	-6.3%	
Apr-02	20,957	549	1,876	-1,327	19,630	-9.3%		Apr-02	34,812	1,536	15,446	-13,909	20,903	-9.1%	
May-02	23,119	244	2,007	-1,763	21,356	7.8%		May-02	36,794	1,536	16,800	-15,264	21,530	-13.3%	
Jun-02	22,972	216	1,747	-1,531	21,441	16.3%		Jun-02	35,837	1,536	15,622	-14,086	21,751	-6.4%	
Jul-02	23,285	356	3,303	-2,946	20,339	13.9%		Jul-02	37,189	1,613	18,042	-16,430	20,759	-15.6%	
Aug-02	24,154	264	2,859	-2,595	21,560	6.5%		Aug-02	37,494	1,613	16,340	-14,727	22,767	0.6%	
Sep-02	23,412	244	2,942	-2,698	20,714	2.5%		Sep-02	36,255	1,613	18,168	-16,555	19,700	-5.9%	
Oct-02	24,006	135	3,024	-2,889	21,116	5.3%		Oct-02	37,386	1,980	16,281	-14,301	23,085	-2.9%	
Nov-02	23,664	210	2,625	-2,414	21,250	10.6%		Nov-02	35,992	1,980	17,817	-15,837	20,155	-6.6%	
Dec-02	23,504	233	2,239	-2,006	21,498	5.8%		Dec-02	37,054	1,980	17,364	-15,385	21,669	-2.3%	
2002	22,523	291	2,421	-2,130	20,393	2.2%		2002	35,763	1,601	16,341	-14,740	21,023	-7.5%	
Jan-03	21,431	424	2,982	-2,558	18,873	4.8%		Jan-03	39,276	1,826	17,254	-15,428	23,848	10.3%	
Feb-03	20,859	230	2,951	-2,721	18,138	-3.3%		Feb-03	35,210	1,798	16,964	-15,166	20,043	13.1%	
Mar-03	24,023	188	2,222	-2,034	21,988	15.4%		Mar-03	40,284	1,811	18,391	-16,580	23,704	15.0%	
Apr-03	22,929	171	2,730	-2,559	20,370	3.8%		Apr-03	40,499	2,718	18,700	-15,982	24,517	17.3%	
May-03	23,921	3,695	3,244	451	24,372	14.1%		May-03	40,873	2,718	17,543	-14,825	26,048	21.0%	
Jun-03	22,989	439	3,458	-3,019	19,970	-6.9%		Jun-03	40,736	2,636	18,473	-15,837	24,899	14.5%	
Jul-03	23,352	301	3,099	-2,798	20,554	1.1%		Jul-03	41,670	3,331	19,205	-15,874	25,796	24.3%	
Aug-03	23,095	308	2,027	-1,720	21,376	-0.9%		Aug-03	41,757	3,280	17,982	-14,702	27,055	18.8%	
Sep-03	22,609	353	5,083	-4,731	17,878	-13.7%		Sep-03	40,249	3,325	17,364	-14,039	26,209	33.0%	
Oct-03	22,288	287	4,237	-3,950	18,338	-13.2%		Oct-03	41,602	3,504	18,264	-14,760	26,842	16.3%	
Nov-03	23,007	296	4,442	-4,146	18,861	-11.2%		Nov-03	40,410	3,562	17,335	-13,773	26,637	32.2%	
Dec-03	23,311	207	2,855	-2,648	20,663	-3.9%		Dec-03	42,733	3,605	18,865	-15,260	27,473	26.8%	
2003	22,818	575	3,278	-2,703	20,115	-1.4%		2003	40,442	2,843	18,028	-15,185	25,256	20.1%	
Jan-04	24,176	25	3,484	-3,459	20,717	9.8%		Jan-04	42,753	1,869	17,178	-15,308	27,445	15.1%	
Feb-04	23,799	390	3,484	-3,094	20,705	14.2%		Feb-04	40,386	1,795	16,734	-14,939	25,447	27.0%	
Mar-04	25,408	368	2,532	-2,164	23,245	5.7%		Mar-04	44,319	1,781	18,328	-16,548	27,772	17.2%	
Apr-04	24,242	181	3,109	-2,928	21,314	4.6%		Apr-04	41,699	2,719	18,844	-16,125	25,574	4.3%	
May-04	24,637	4,162	4,095	67	24,704	1.4%		May-04	42,984	2,726	18,678	-15,952	27,032	3.8%	
Jun-04	25,037	397	5,040	-4,644	20,393	2.1%		Jun-04	42,564	2,638	18,739	-16,101	26,463	6.3%	
Jul-04	25,973	300	3,858	-3,557	22,415	9.1%		Jul-04	43,145	3,459	17,888	-14,429	28,716	11.3%	
Aug-04	26,006	305	2,418	-2,113	23,893	11.8%		Aug-04	44,116	3,443	17,855	-14,412	29,704	9.8%	
Sep-04	25,272	358	6,344	-5,986	19,286	7.9%		Sep-04	43,905	3,464	18,052	-14,587	29,317	11.9%	
Oct-04	25,023	236	4,652	-4,417	20,606	12.4%		Oct-04	43,076	3,619	17,776	-14,157	28,919	7.7%	
Nov-04	25,493	205	5,973	-5,768	19,725	4.6%		Nov-04	42,993	3,619	17,783	-14,164	28,828	8.2%	
Dec-04	25,140	232	4,228	-3,996	21,144	2.3%		Dec-04	42,385	3,619	17,926	-14,307	28,079	2.2%	
2004F	25,017	597	4,101	-3,505	21,512	6.9%		2004F	42,860	2,896	17,982	-15,086	27,775	10.0%	
Jan-05	25,545	25	3,484	-3,459	22,086	6.6%		Jan-05	43,181	2,146	16,616	-14,470	28,711	4.6%	
Feb-05	25,545	252	3,484	-3,232	22,313	7.8%		Feb-05	43,181	1,959	16,734	-14,775	28,406	11.6%	
Mar-05	26,848	368	2,532	-2,164	24,684	6.2%		Mar-05	44,762	2,182	18,328	-16,146	28,616	3.0%	
Apr-05	25,615	181	3,109	-2,928	22,687	6.4%		Apr-05	42,116	2,853	18,844	-15,991	26,125	2.2%	
May-05	26,032	350	4,095	-3,745	22,287	-9.8%		May-05	43,413	2,988	18,678	-15,690	27,723	2.6%	
Jun-05	26,455	397	5,040	-4,644	21,811	7.0%		Jun-05	42,990	2,904	18,739	-15,836	27,154	2.6%	
Jul-05	27,444	300	3,858	-3,557	23,887	6.6%		Jul-05	43,576	3,334	17,888	-14,554	29,022	1.1%	
Aug-05	27,479	305	2,418	-2,113	25,366	6.2%		Aug-05	44,558	3,390	17,855	-14,465	30,093	1.3%	
Sep-05	26,703	358	6,344	-5,986	20,718	7.4%		Sep-05	44,344	3,595	18,052	-14,457	29,887	1.9%	
Oct-05	26,440	236	4,652	-4,417	22,023	6.9%		Oct-05	43,506	3,756	17,776	-14,019	29,487	2.0%	
Nov-05	26,937	205	5,973	-5,768	21,169	7.3%		Nov-05	43,423	3,682	17,783	-14,102	29,321	1.7%	
Dec-05	26,564	232	4,228	-3,996	22,568	6.7%		Dec-05	42,809	3,732	17,926	-14,194	28,615	1.9%	
2005F	26,467	267	4,101	-3,834	22,633	5.2%		2005F	43,488	3,043	17,935	-14,892	28,597	3.0%	

Source: WSD estimates.

Source: WSD estimates.

WORLDSTEELDYNAMICS

OMA LP Equivalent Demand (000 Tonnes)

	----- Annualized Equivalent -----					y-y% change
	Shipment	Import	Export	Net Import	ASC	
1997	40,745	8,432	3,844	4,589	45,334	
1998	38,817	5,650	6,585	-935	37,882	-16.4%
1999	32,864	5,889	5,524	364	33,228	-12.3%
2000	34,154	6,515	4,720	1,795	35,949	8.2%
2001	35,295	6,286	4,411	1,874	37,169	3.4%
Jan-02	41,102	6,619	4,340	2,279	43,381	19.4%
Feb-02	36,191	6,850	3,609	3,241	39,432	16.1%
Mar-02	41,030	7,763	4,222	3,541	44,571	18.8%
Apr-02	39,674	9,423	4,093	5,330	45,004	18.6%
May-02	41,215	8,056	4,246	3,810	45,025	18.2%
Jun-02	40,920	8,654	4,168	4,486	45,406	19.7%
Jul-02	40,924	9,129	4,251	4,879	45,803	21.6%
Aug-02	40,774	8,783	3,837	4,946	45,720	24.5%
Sep-02	40,238	9,506	3,578	5,928	46,166	25.0%
Oct-02	42,800	8,959	4,028	4,932	47,732	26.0%
Nov-02	41,585	8,426	4,277	4,149	45,734	22.5%
Dec-02	42,765	6,521	4,067	2,453	45,218	20.1%
2002	40,768	8,224	4,060	4,164	44,933	20.9%
Jan-03	40,059	9,506	4,607	4,898	44,958	3.6%
Feb-03	35,982	8,265	3,743	4,522	40,504	2.7%
Mar-03	41,000	9,537	4,533	5,004	46,004	3.2%
Apr-03	39,506	10,437	4,095	6,343	45,849	1.9%
May-03	40,636	11,109	4,567	6,542	47,178	4.8%
Jun-03	39,363	10,998	5,392	5,606	44,969	-1.0%
Jul-03	40,318	9,487	4,744	4,743	45,061	-1.6%
Aug-03	40,004	9,859	4,841	5,018	45,022	-1.5%
Sep-03	39,714	7,891	4,469	3,422	43,135	-6.6%
Oct-03	42,181	10,032	4,543	5,489	47,670	-0.1%
Nov-03	41,047	8,197	4,561	3,636	44,682	-2.3%
Dec-03	42,440	6,933	4,628	2,306	44,745	-1.0%
2003	40,187	9,354	4,560	4,794	44,981	0.1%
Jan-04	40,892	10,985	4,551	6,434	47,326	5.3%
Feb-04	40,016	10,985	4,551	6,434	46,450	14.7%
Mar-04	41,648	9,085	4,759	4,326	45,975	-0.1%
Apr-04	39,576	9,306	4,035	5,270	44,846	-2.2%
May-04	41,084	9,353	4,795	4,558	45,643	-3.3%
Jun-04	40,062	9,416	4,803	4,612	44,675	-0.7%
Jul-04	39,810	9,415	4,804	4,611	44,421	-1.4%
Aug-04	39,260	9,446	4,771	4,675	43,935	-2.4%
Sep-04	40,452	9,451	4,811	4,640	45,092	4.5%
Oct-04	42,157	9,534	4,818	4,715	46,873	-1.7%
Nov-04	42,304	9,444	5,029	4,414	46,718	4.6%
Dec-04	42,542	9,484	4,822	4,663	47,205	5.5%
2004F	40,817	9,659	4,713	4,946	45,763	1.7%
Jan-05	43,082	11,003	4,372	6,631	49,714	5.0%
Feb-05	42,164	11,046	4,478	6,568	48,731	4.9%
Mar-05	43,875	9,076	4,639	4,437	48,313	5.1%
Apr-05	41,696	9,218	4,070	5,148	46,844	4.5%
May-05	43,288	9,203	4,770	4,433	47,721	4.6%
Jun-05	42,217	9,328	4,778	4,550	46,767	4.7%
Jul-05	41,958	9,241	4,779	4,462	46,420	4.5%
Aug-05	41,370	9,359	4,771	4,588	45,958	4.6%
Sep-05	42,617	9,239	4,811	4,428	47,045	4.3%
Oct-05	44,440	9,397	4,781	4,616	49,055	4.7%
Nov-05	44,579	9,269	5,004	4,265	48,843	4.5%
Dec-05	44,830	9,347	4,759	4,588	49,418	4.7%
2005F	43,010	9,560	4,668	4,893	47,902	4.7%

North America LP Equivalent Demand (000 Tonnes)

	----- Annualized Equivalent -----					y-y% change
	Shipment	Import	Export	Net Import	ASC	
1997	41,570	10,805	4,139	6,666	48,236	
1998	45,044	15,025	4,011	11,014	56,058	16.2%
1999	40,491	12,780	3,717	9,063	49,554	-11.6%
2000	39,411	15,104	4,036	11,069	50,480	1.9%
2001	31,558	12,818	3,835	8,983	40,541	-19.7%
Jan-02	34,317	12,528	3,926	8,601	42,918	4.6%
Feb-02	32,472	12,117	3,953	8,165	40,637	10.2%
Mar-02	35,196	11,308	3,648	7,660	42,856	-0.1%
Apr-02	35,030	11,814	3,916	7,898	42,928	2.1%
May-02	35,675	10,873	4,078	6,795	42,470	-0.2%
Jun-02	35,715	13,541	3,943	9,599	45,313	7.5%
Jul-02	35,738	14,461	3,799	10,662	46,400	10.4%
Aug-02	37,139	12,840	4,062	8,778	45,917	7.9%
Sep-02	37,166	16,459	3,961	12,498	49,664	22.3%
Oct-02	37,606	12,355	4,336	8,018	45,624	10.5%
Nov-02	34,942	10,471	3,619	6,853	41,794	6.8%
Dec-02	35,369	12,704	3,459	9,246	44,615	34.0%
2002	35,530	12,623	3,892	8,731	44,262	9.2%
Jan-03	42,573	14,156	3,949	10,206	52,779	23.0%
Feb-03	40,405	9,207	3,324	5,883	46,288	13.9%
Mar-03	44,094	15,576	3,766	11,810	55,904	30.4%
Apr-03	43,151	12,845	3,484	9,361	52,512	22.3%
May-03	41,115	11,207	3,682	7,524	48,640	14.5%
Jun-03	42,254	15,563	3,872	11,691	53,945	19.0%
Jul-03	40,336	14,008	3,710	10,298	50,634	9.1%
Aug-03	39,923	12,419	3,684	8,735	48,658	6.0%
Sep-03	40,198	17,470	3,595	13,876	54,073	8.9%
Oct-03	42,561	14,507	4,125	10,382	52,943	16.0%
Nov-03	41,495	11,566	3,744	7,822	49,317	18.0%
Dec-03	41,657	14,807	3,844	10,963	52,621	17.9%
2003	41,647	13,611	3,732	9,879	51,526	16.4%
Jan-04	43,464	12,379	5,459	6,920	50,384	-4.5%
Feb-04	42,289	12,504	5,459	7,045	49,334	6.6%
Mar-04	46,322	12,660	5,355	7,305	53,627	-4.1%
Apr-04	44,421	12,727	5,167	7,560	51,981	-1.0%
May-04	45,666	13,881	7,649	6,232	51,898	6.7%
Jun-04	44,657	13,428	6,288	7,140	51,797	-4.0%
Jul-04	45,402	15,113	6,343	8,770	54,172	7.0%
Aug-04	46,383	12,355	6,343	6,012	52,395	7.7%
Sep-04	46,053	11,298	5,741	5,557	51,610	-4.6%
Oct-04	47,236	14,329	5,741	8,588	55,824	5.4%
Nov-04	46,218	12,792	5,741	7,051	53,269	8.0%
Dec-04	42,492	15,659	5,741	9,918	52,410	-0.4%
2004F	45,050	13,260	5,919	7,342	52,392	1.7%
Jan-05	45,500	12,429	5,436	6,993	52,493	4.2%
Feb-05	45,500	12,491	5,436	7,055	52,556	6.5%
Mar-05	48,499	12,585	5,330	7,256	55,755	4.0%
Apr-05	46,512	12,652	5,155	7,497	54,009	3.9%
May-05	47,817	13,806	7,613	6,194	54,011	4.1%
Jun-05	46,768	13,291	6,240	7,051	53,819	3.9%
Jul-05	47,549	14,863	6,302	8,561	56,110	3.6%
Aug-05	48,569	12,230	6,302	5,928	54,497	4.0%
Sep-05	48,221	11,173	5,716	5,458	53,679	4.0%
Oct-05	49,473	14,142	5,703	8,438	57,912	3.7%
Nov-05	48,393	12,730	5,716	7,014	55,406	4.0%
Dec-05	44,486	15,534	5,741	9,793	54,279	3.6%
2005F	47,274	13,161	5,891	7,270	54,544	4.1%

Source: WSD estimates.

Source: WSD estimates.

WORLDSTEELDYNAMICS

China-Exports by Product thousand tonnes

	Ingots & Semis		Bars & W.R.		Shapes		Sheets		Pipes		Others		Total	
		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg
2002	1,330	-51%	1,450	53%	370	-3%	1,790	2%	480	4%	1,370	14%	6,790	-9%
2003	1,460	10%	2,400	66%	280	-24%	1,820	2%	530	10%	1,910	39%	8,400	24%
Jan-03	130	225%	120	140%	20	-33%	130	30%	40	0%	140	133%	580	81%
Feb-03	100	25%	130	86%	30	50%	140	40%	30	0%	130	117%	560	56%
Mar-03	240	200%	210	133%	30	0%	160	-11%	40	33%	160	78%	840	68%
Apr-03	240	243%	250	150%	30	0%	130	-24%	50	0%	190	73%	890	68%
May-03	250	733%	300	233%	30	-25%	150	25%	50	25%	150	36%	930	116%
Jun-03	100	100%	260	189%	20	-33%	160	78%	40	0%	190	46%	770	79%
Jul-03	70	-42%	200	233%	20	-33%	140	8%	30	-25%	210	17%	670	20%
Aug-03	60	-65%	170	-32%	10	-75%	150	-35%	40	0%	150	25%	580	-32%
Sep-03	80	-56%	170	-19%	20	-33%	150	-12%	50	25%	140	8%	610	-20%
Oct-03	30	-83%	180	29%	20	-33%	140	-22%	50	25%	140	8%	560	-20%
Nov-03	80	-43%	180	50%	20	-33%	200	54%	50	25%	130	18%	660	16%
Dec-03	80	-58%	230	28%	30	0%	170	-11%	60	20%	180	29%	750	-4%
Jan-04	60	-54%	150	25%	10	-50%	210	62%	40	0%	170	21%	640	10%
Feb-04	110	10%	130	0%	10	-67%	130	-7%	30	0%	100	-23%	510	-9%
Mar-04	100	-58%	190	-10%	20	-33%	180	13%	50	25%	210	31%	750	-11%
Apr-04	200	-17%	290	16%	50	67%	230	77%	60	20%	200	5%	1,030	16%
May-04	340	36%	430	43%	50	67%	260	73%	60	20%	210	40%	1,350	45%
Jun-04	520	420%	340	31%	40	100%	390	144%	70	75%	250	32%	1,610	109%
Jul-04	390	457%	440	120%	30	50%	590	321%	60	100%	240	14%	1,750	161%
Aug-04	470	683%	500	194%	60	500%	550	267%	60	50%	230	53%	1,870	222%
Sep-04	640	700%	390	129%	60	200%	570	280%	60	20%	230	64%	1,950	220%
Oct-04	690	2200%	490	172%	60	200%	610	336%	60	20%	290	107%	2,200	293%
Nov-04	990	1138%	570	217%	80	300%	880	340%	70	40%	320	146%	2,910	341%

China Net-Imports by Product thousand tonnes

	Ingots & Semis		Bars & W.R.		Shapes		Sheets		Pipes		Others		Total	
		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg
2002	3,270	-40%	-410	105%	-130	-19%	19,370	48%	890	141%	-690	5%	22,300	24%
2003	4,430	35%	-1,160	183%	580	-546%	31,440	62%	600	-33%	-1,240	80%	34,650	55%
Jan-03	50	-88%	-50	-600%	10	-200%	2,640	116%	20	#DIV/0!	-80	700%	2,590	61%
Feb-03	40	-56%	-50	150%	0	#DIV/0!	2,120	114%	40	-50%	-110	267%	2,040	84%
Mar-03	180	-62%	-120	1100%	-10	0%	2,680	61%	80	0%	-100	400%	2,710	25%
Apr-03	-20	-104%	-130	#DIV/0!	10	-200%	2,930	57%	60	-40%	-130	117%	2,720	10%
May-03	230	-64%	-220	#DIV/0!	50	-350%	2,560	52%	60	-25%	-80	60%	2,600	12%
Jun-03	290	-52%	-190	-575%	70	-800%	3,010	61%	60	-54%	-140	133%	3,100	20%
Jul-03	390	-5%	-60	-167%	50	-600%	3,100	57%	60	-65%	-150	50%	3,390	34%
Aug-03	690	1625%	-50	-69%	90	-550%	2,270	13%	40	-43%	-100	67%	2,940	56%
Sep-03	990	3200%	0	-100%	100	#DIV/0!	2,750	63%	30	-73%	-80	14%	3,790	133%
Oct-03	600	-2100%	-80	33%	70	-450%	2,370	94%	40	100%	-90	13%	2,910	177%
Nov-03	480	1500%	-90	50%	60	-700%	2,540	83%	30	-40%	-60	-14%	2,960	123%
Dec-03	510	5000%	-120	9%	80	-900%	2,470	37%	80	#DIV/0!	-120	50%	2,900	80%
Jan-04	390	680%	-40	-20%	100	900%	2,660	1%	60	200%	-110	38%	3,060	18%
Feb-04	450	1025%	20	-140%	80	#DIV/0!	2,770	31%	80	100%	10	-109%	3,410	67%
Mar-04	670	272%	-20	-83%	100	-1100%	2,810	5%	50	-38%	-130	30%	3,480	28%
Apr-04	530	-2750%	-130	0%	100	900%	2,660	-9%	70	17%	-140	8%	3,090	14%
May-04	0	-100%	-340	55%	10	-80%	1,540	-40%	70	17%	-160	100%	1,120	-57%
Jun-04	-210	-172%	-220	16%	0	-100%	1,690	-44%	80	33%	-200	43%	1,140	-63%
Jul-04	-110	-128%	-340	467%	20	-60%	1,320	-57%	50	-17%	-190	27%	750	-78%
Aug-04	-400	-158%	-410	720%	-20	-122%	1,040	-54%	40	0%	-190	90%	60	-98%
Sep-04	-550	-156%	-290	#DIV/0!	-20	-120%	930	-66%	30	0%	-180	125%	-80	-102%
Oct-04	-610	-202%	-400	400%	-30	-143%	740	-69%	50	25%	-240	167%	-490	-117%
Nov-04	-930	-294%	-480	433%	-40	-167%	640	-75%	20	-33%	-270	350%	-1,060	-136%

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