

Trends Shaping the Steel Industry



05.06.2018

Major shifts in the past...



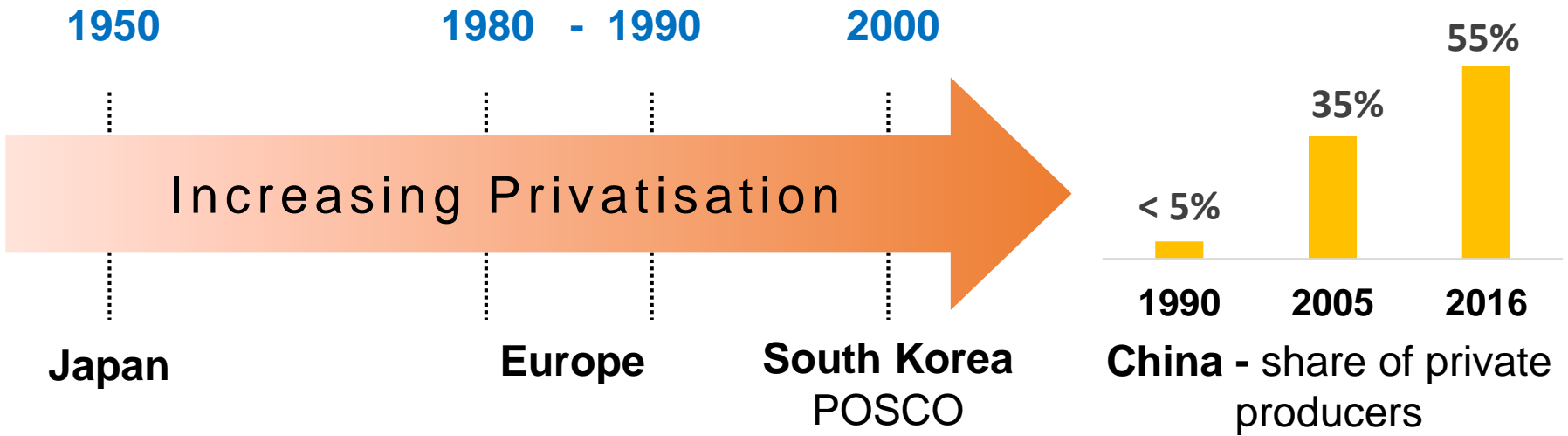
Megatrends shaping the future...

Major shifts in the past...



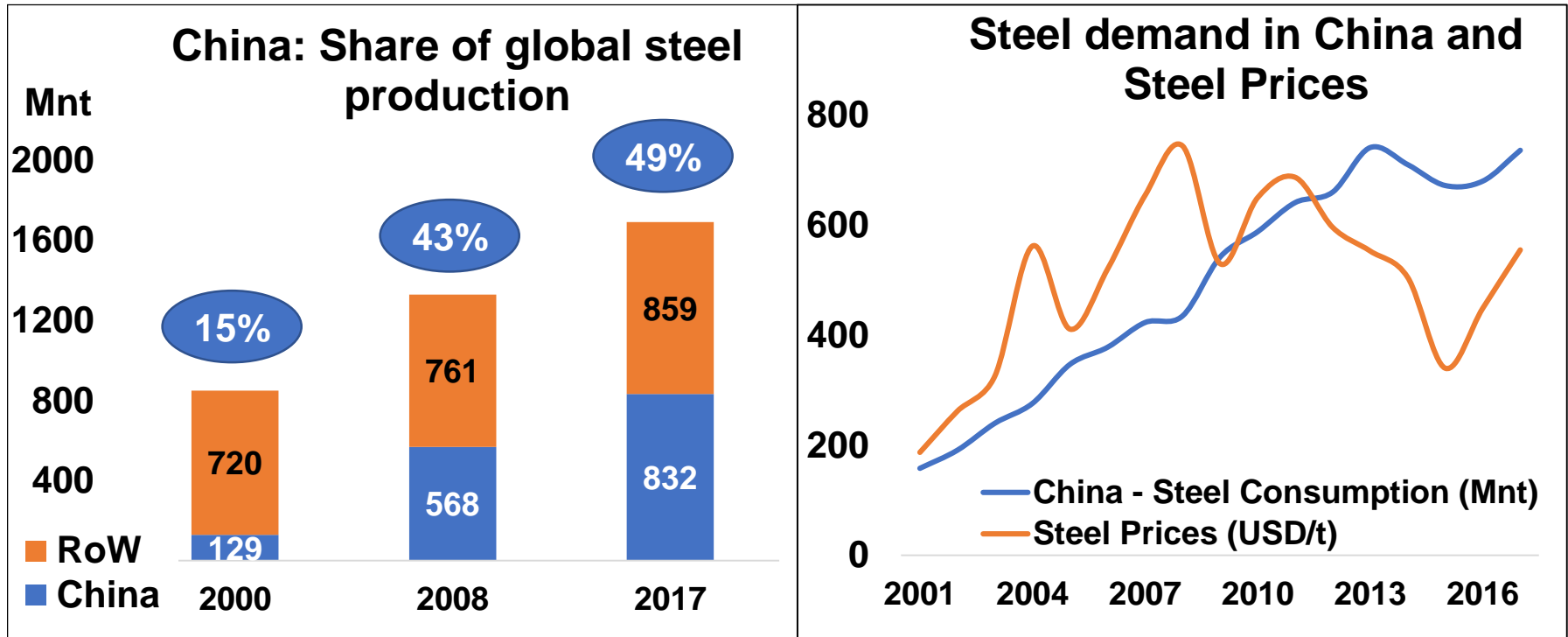
Megatrends shaping the future...

60% of steel making capacity owned by governments in 1980s, **currently 30 – 40 %**



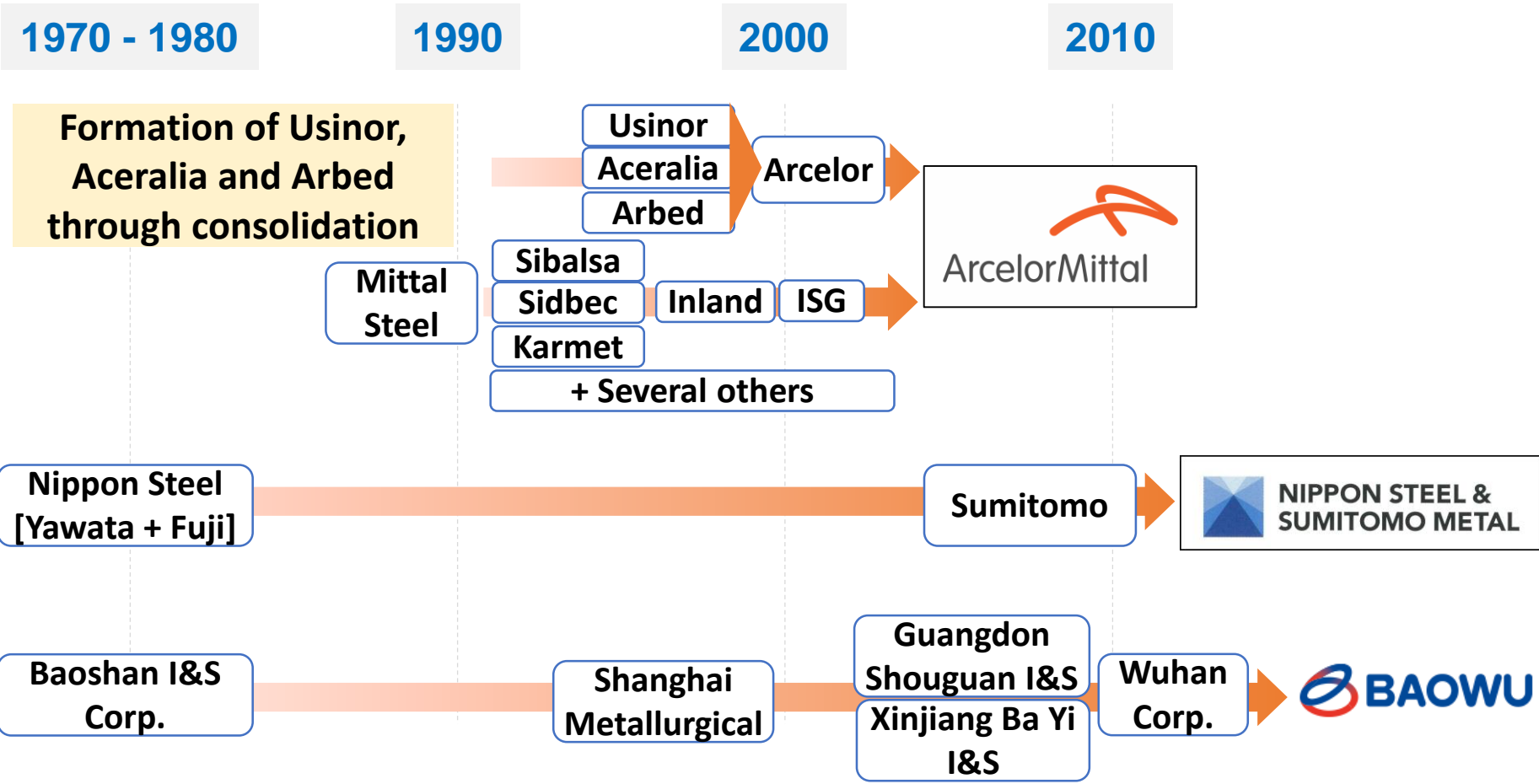
Fewer distortions, faster supply correction in down cycles

Steel demand in China rose from **138 Mnt** in **2000** to **737 Mnt** in **2017**



Supply side policy intervention and domestic demand in China - major factors influencing steel and raw material prices

Consolidation and the emergence of Global majors



Next set of 50+ mtpa steel companies emerging in China

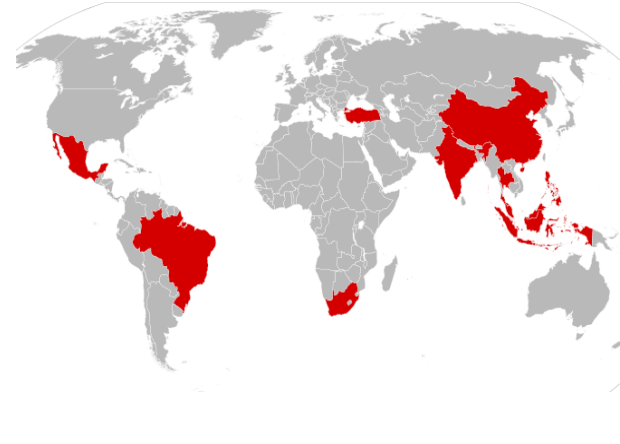
Major shifts in the past...



Megatrends shaping the future...

Economic

Emerging economies to lead global growth



Demographic

Young India in an aging world



Faster urbanization in emerging economies



Implications for Indian steel industry

- Indian steel demand to grow the fastest at 5% - 6% p.a. (2018 - 2025)
- Urbanization to drive steel demand in Construction & Infrastructure and the automotive sector
- Growing rural demand for steel – currently an under-addressed opportunity

Socio-Political

Increasing **influence of communities** – amid rising disparities



Environment

Climate change influencing policy, choice of technology and material



Technology

Digitalization: IOT, Robotics etc. rapidly becoming accessible



Implications for the Global steel industry

- Licence to operate to become increasingly difficult
- Reduce carbon footprint, increase waste use and recycling.
- Leverage digital technologies across steel value chain.

Thank You