

# **The Global Steel Industry - Outlook and Challenges -**

**Hajime Bada**

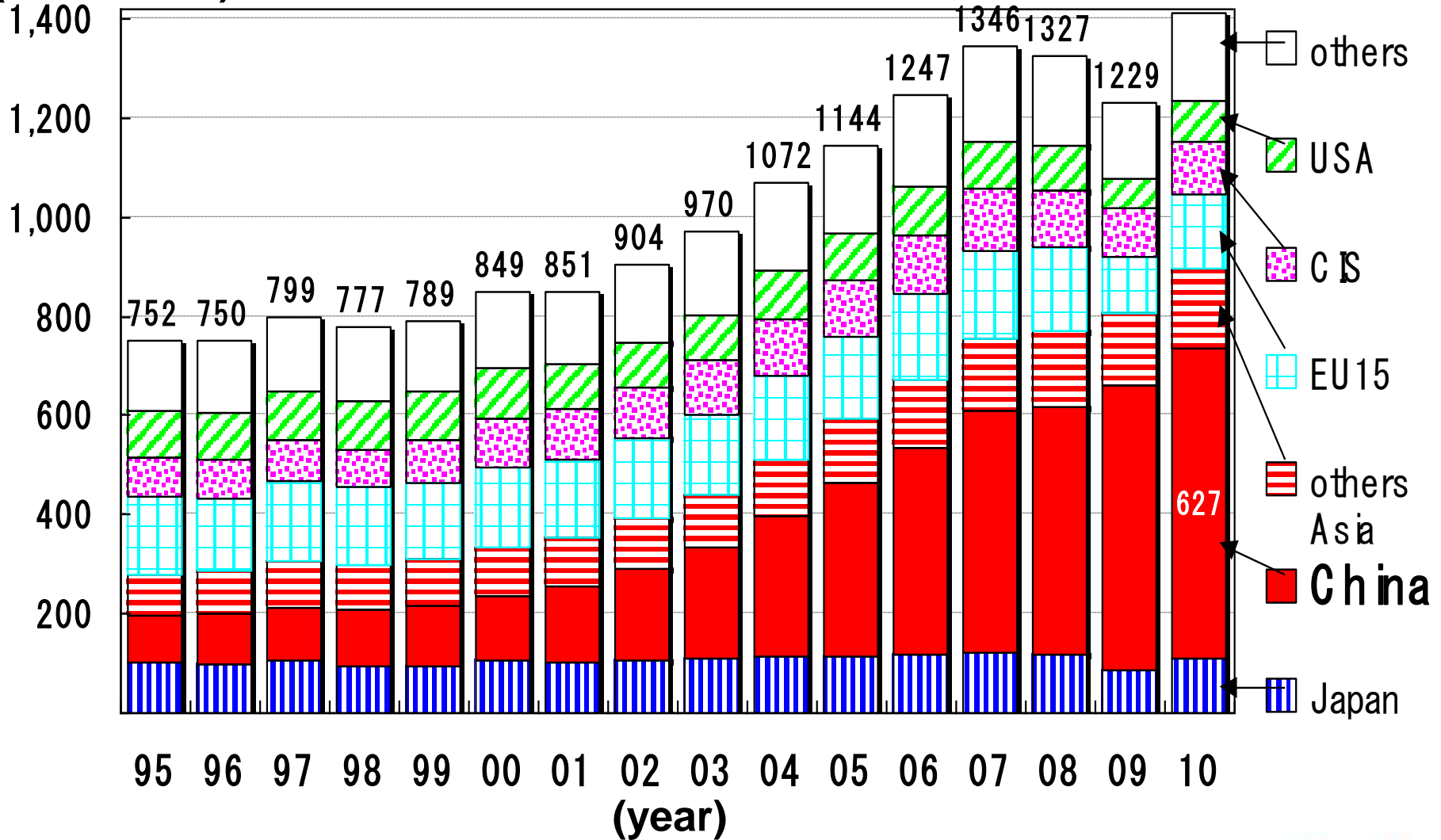
**Chairman, World Steel Association**

**President & CEO, JFE Holdings, Inc.**

**September 7, 2011**

# Crude Steel Production

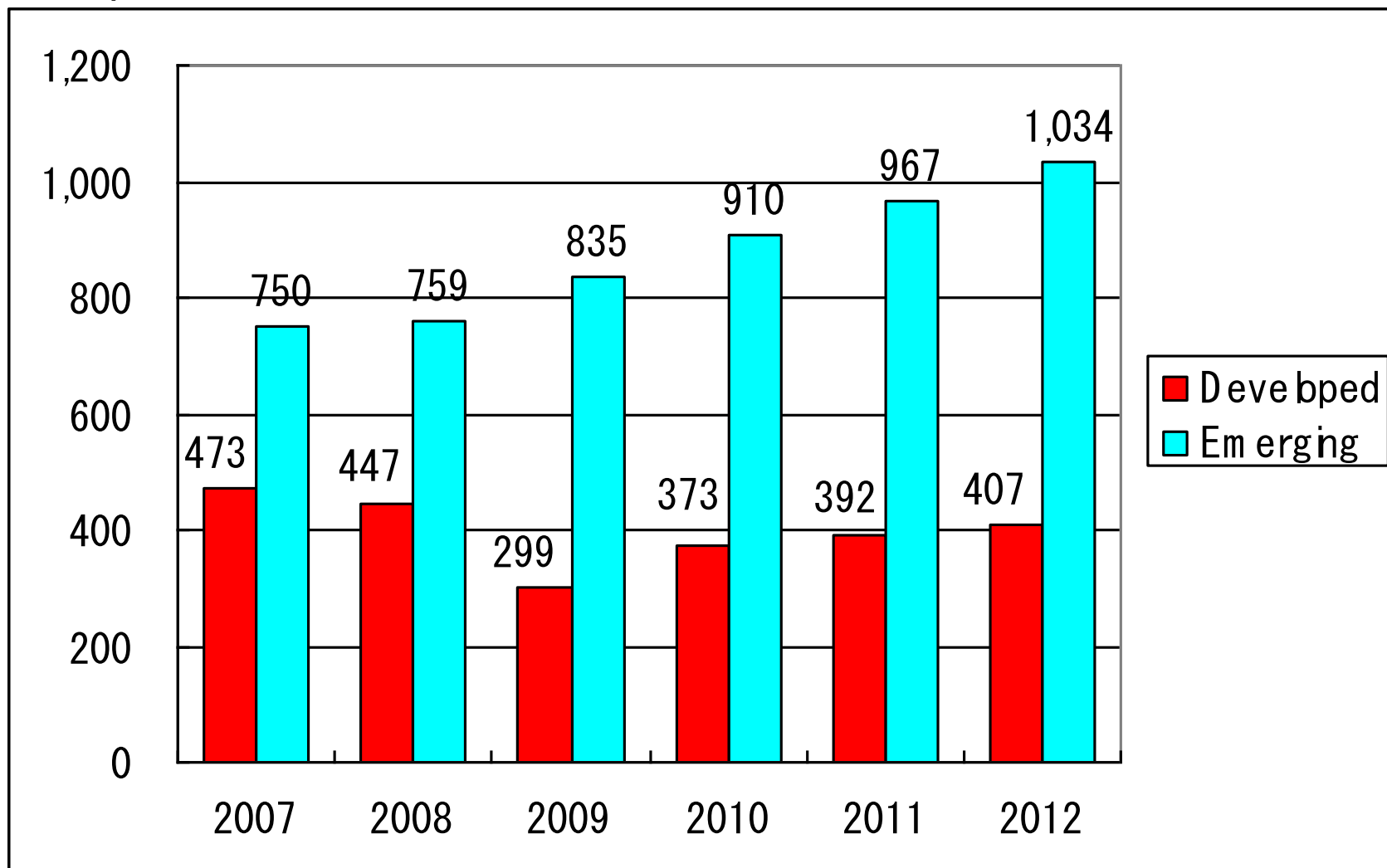
(million ton)



(Source: World Steel Association )

# Short Range Outlook of Apparent Steel Use

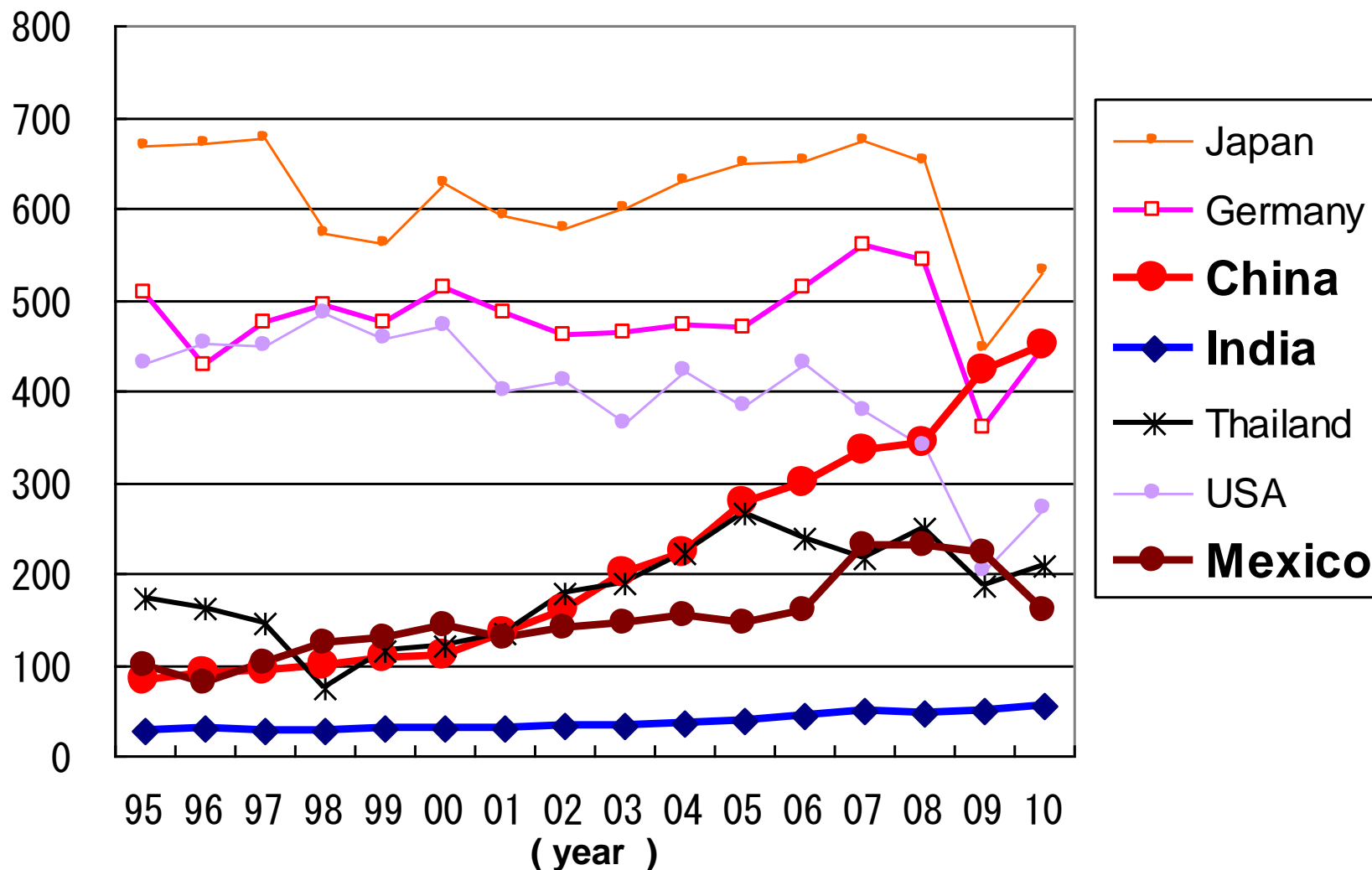
( Million



(Source: World Steel Association )

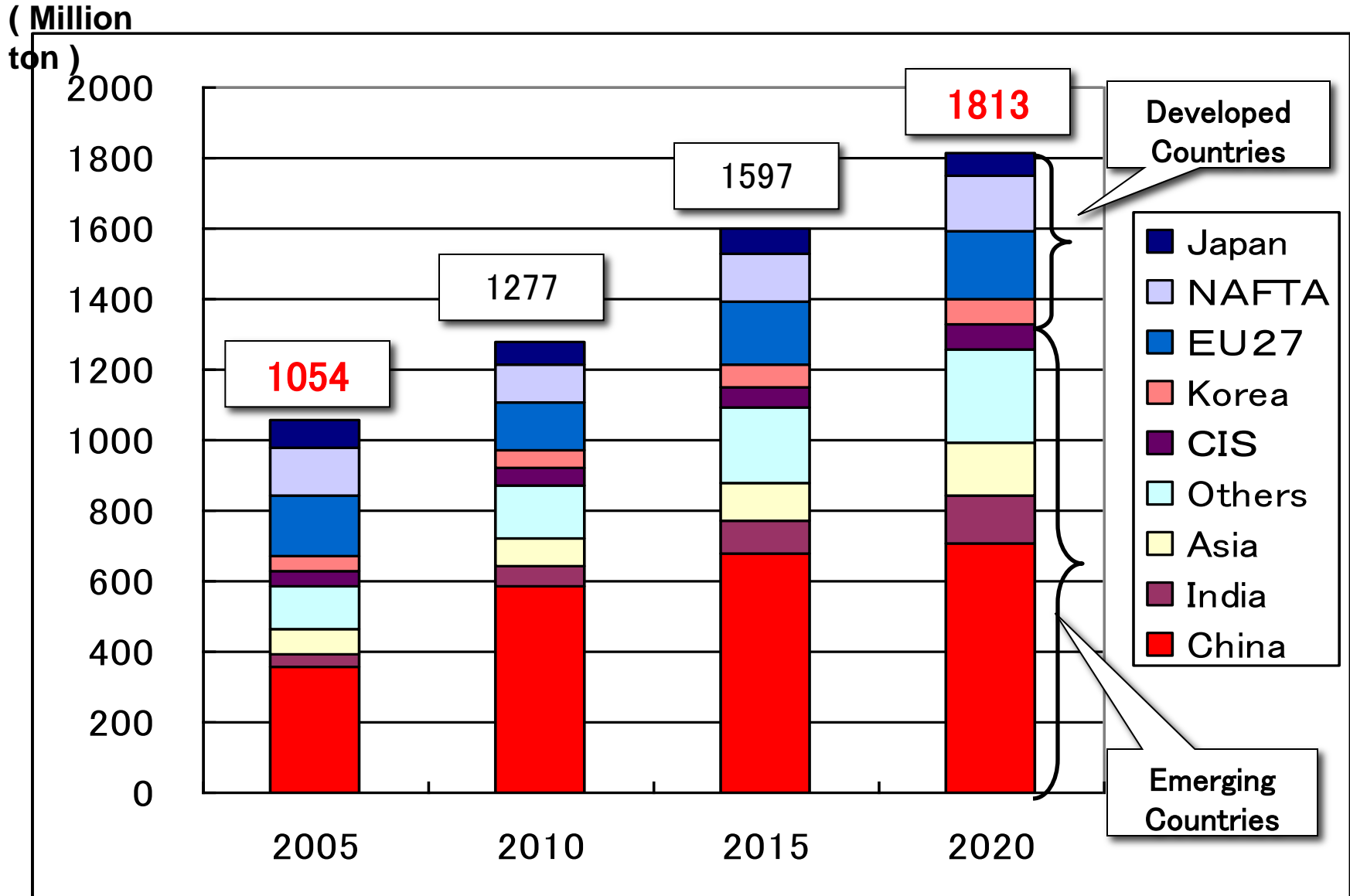
# Apparent Steel Consumption Per Capita

( kg / capita )



(Source: World Steel Association )

# Long-term Projection of Steel Consumption



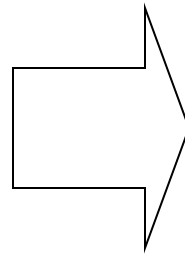
(Source: JFE Steel Corporation)

# Emerging Economies Market Share

**2005**

**2020**

**56%**



**62%**

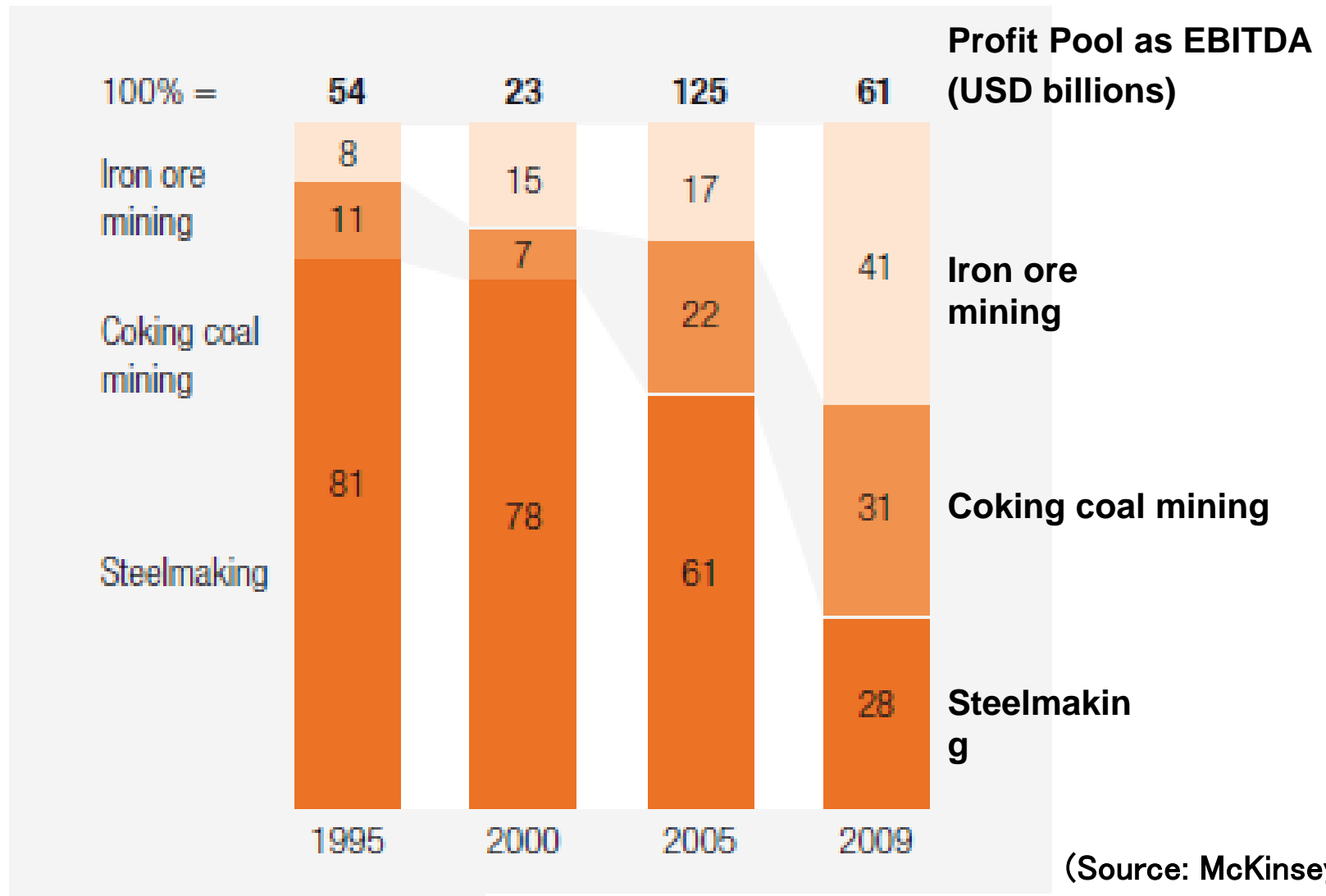
# Challenges for the Steel Industry

**1. Raw Materials**

**2. Environment and Climate Change**

**3. Promotion of a Positive Image for  
Steel**

# 1. Raw Materials



<sup>1</sup> HRC value chain profit pool calculated based on EBITDA x demand/production, calculated for 12 major regions, with EBITDA based on historical highs and lows by region and product

Source: McKinsey analysis



# Key Measures

- 1. Expansion of raw material sources**
- 2. Diversification of raw materials**
- 3. Diversification of production processes**

## 2. Environment and Climate Change

- **Employ Proven Technologies**
- **Promote Technological Innovation**
  - **Supplying High Quality Steel to Reduce CO<sub>2</sub>**
  - **Developing Breakthrough Technologies**

# 3. Promotion of a Positive Image for Steel

### 3. Promotion of a Positive Image for Steel

***“Steel is not a problem.***

***Instead, it is a part of the  
solution.”***

# What Worldsteel Can Offer

## 1. Forecast steel demand by region

# Short Range Outlook of Apparent Steel Use

## Regional summary

Apparent steel use, finished steel (SRO April 2011)

	2010	2011	2012	10/09	11/10	12/11	2012 as % of 2007
	mmt			%			
World	1 283.6	1 359.2	1 440.6	13.2	5.9	6.0	117.7
European Union (27)	144.8	151.8	157.5	21.2	4.9	3.7	79.5
Other Europe	29.6	32.8	35.2	23.8	11.0	7.3	111.4
C.I.S.	48.5	52.1	56.7	34.3	7.5	8.9	100.7
N.A.F.T.A.	110.3	122.3	130.0	33.0	10.9	6.3	92.5
Central & South America	45.8	48.8	52.8	36.4	6.6	8.3	127.8
Africa	25.9	25.1	27.4	-3.6	-3.1	9.1	124.6
Middle East	45.3	46.5	49.9	7.2	2.6	7.3	113.0
Asia & Oceania	833.6	879.9	931.1	8.4	5.5	5.8	135.0
China	576.0	604.8	635.0	5.1	5.0	5.0	150.3

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