

OVER-CAPACITIES REMAIN


**CHINESE EXPORTS INCREASE
IMBALANCE SUPPLY/DEMAND**


 China in 2014
45% of global steel consumption


 Softening demand
-2.2% 2015 **-2.5% (f)** 2016

 World production in 2015
-1.8% Only India
+3.5%

**CHINA: STRUCTURAL
CHANGES**

 Decline of industry,
move towards services

 Renewed growth:
steel exports
+20% in 2015

 In February 2016, the
government announced
a first reduction in
production capacity



**METALS INDUSTRIES, THE
WORLD'S RISKIEST SECTOR**


**SOLVENCY OF SECTOR IS
THREATENED**

 **33.8%** of production lines
stopped

 China's price competitiveness
weakens businesses worldwide,
including Europe


★★★★ The sector is one of
the least profitable
90th/94 sectors


 Increase in corporate debt
50.7% of the equity
in China


 Metals assessed «very high
risk» in Western Europe,
emerging Asia, Middle East
and Latin America

OUTLOOK: RETURN TO NORMAL FOR 2018

 Emerging economies: Less dynamic
but growth continues

 **3** Improved growth of the
main steel-consuming sectors
→ **78%** of world demand

52%  High potential for urbanisation in India,
Sub-Saharan Africa and emerging Asia
Construction

14%  Many growth drivers:
- Emerging: increasing industrialisation
- Advanced: improvement of the productive apparatus
Mechanical

12%  Significant opportunity for progress in emerging countries
India: 100 cars / 1000 inhabitants
USA: 808 cars / 1000 inhabitants
Automotive

