

Latin America: Steel imports from China reach 1.3 million tons during Jan/Feb 2017

- In the first bimester of the year, China exported to the world 12.8 million tons (Mt) of steel. Of that amount, 1.3 million tons (Mt) were shipped to Latin America.
- Chinese steel received by Latin America rise 5% compared with Jan/Feb 2016. The flow to the world contracted 27%.
- The region’s share of Chinese steel exports reached 9.9% (vs. 6.9% in Jan/Feb 2016).

Alacero - Santiago, Chile, April 10, 2017. Between January/February 2017, the total exports of steel from China to the world -including finished (long steel, flat steel and seamless pipes) and steel-derivatives products (wire products and welded tubes)- decreased 27% versus Jan/Feb 2016, reaching 12.8 million tons (Mt). Of this volume, 12.0 Mt were finished steel and 829 thousands (thous) tons were steel-derivatives products.

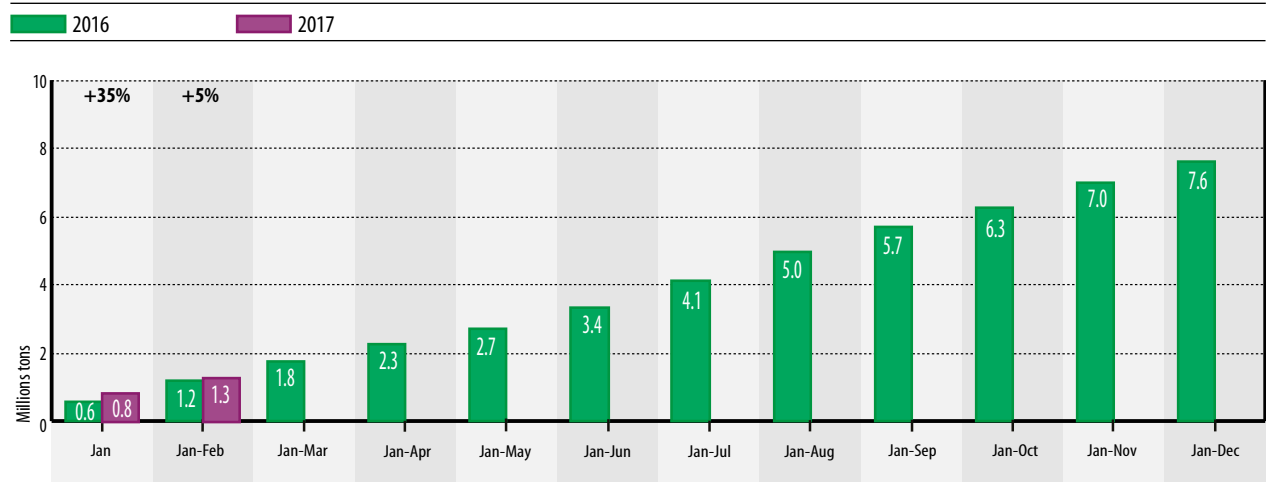
Latin America accounted for 9.9% of total global exports, increasing its participation in 3.0 percentage points versus Jan/Feb 2016 (6.9%) and standing at third place as China’s preferred destination. The region is preceded by South Korea (2.2 Mt, 17% of the global total) and Vietnam (1.7 Mt, 14% of the total).

In the first two months of 2017, China shipped 1.3 Mt of steel to Latin America, which 1.2 Mt were finished steel and 108 thous tons were steel-derivatives products. This volume is 5% higher than the 1.2 Mt (1.1 Mt of finished products and 143 thous tons of steel-derivatives products) recorded in Jan/Feb 2016.

For its part , during this months, Latin America recibed 109 thous tons of steel-derivatives products from China, being the main global destination, representing 13.1% of the total. The region is followed by the South Korea (58 thous tons, 7.0% of the total) and India (50 thous tons, 6.0% of the total).

GRAPH 01

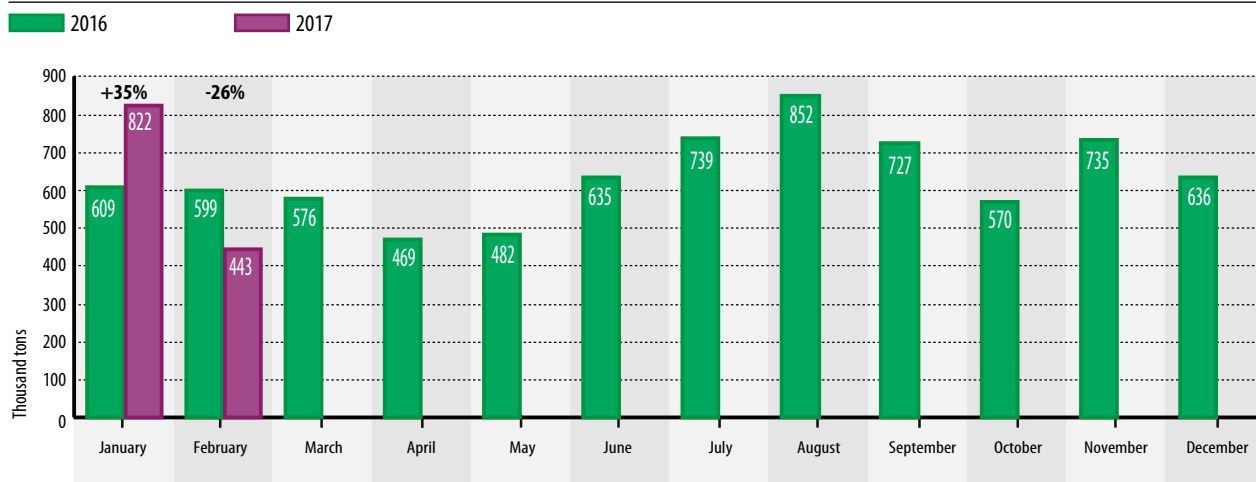
FINISHED AND STEEL-DERIVATIVES PRODUCTS EXPORTS FROM CHINA TO LATIN AMERICA. MONTHLY ACCUMULATED VOLUME AND ANUAL VARIATION (%)



Source: Alacero - GTIS - WTA (China customs)

GRAPH 02

FINISHED AND STEEL-DERIVATIVES PRODUCTS: CHINESE EXPORTS TO LATIN AMERICA. MONTHLY VOLUME



Source: Alacero - GTIS - WTA (China customs)

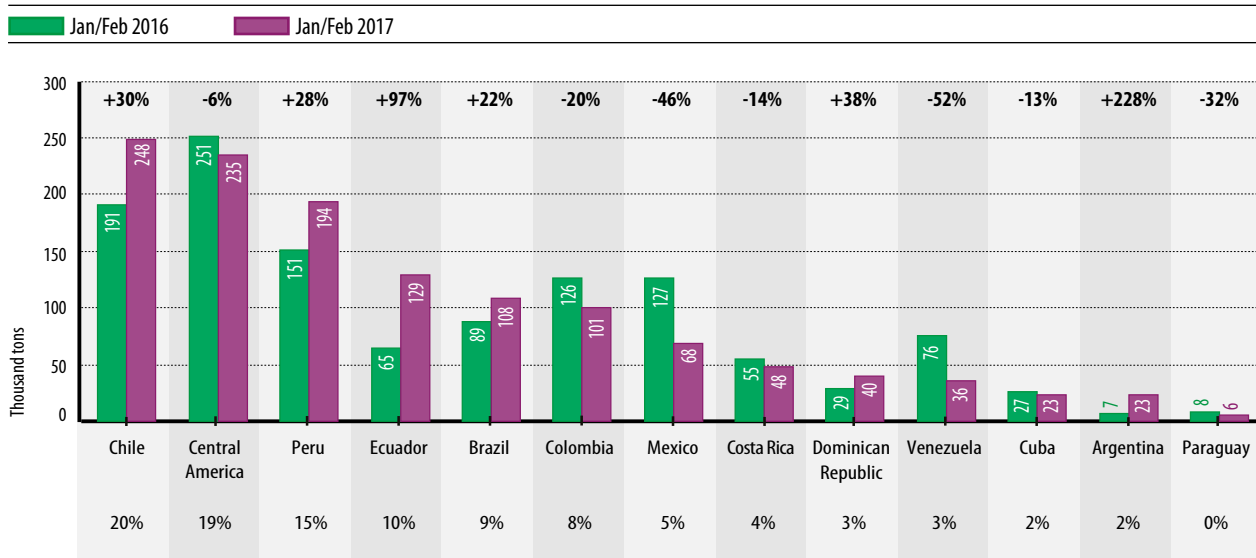
In February 2017, Latin America received 443 thousand tons of steel from China. Of this volume, 408 thousand tons were finished steel and 36 thousand tons were steel-derivatives products. This total is 46% lower than the previous month, where 822 thousand tons entered (750 thousand tons of finished products and 73 thousand tons of derivatives products). This decrease may be a reflection of the festivities of the Chinese lunar year.

Finished steel imports from China by destination

The main destinations for Chinese steel (finished + steel-derivatives) in Latin America during the first bimester 2017 were: Chile which received 248 thousand tons (20% of the region); Central America, 235 thousand tons (19%); and Peru, 194 thousand tons (15%).

GRAPH 03

FINISHED AND STEEL-DERIVATIVES PRODUCTS IMPORTS FROM CHINA BY DESTINATION (ANNUAL VARIATION %)



Source: Alacero - GTIS - WTA (China customs)

In the first two months of the year, the countries that increased their imports of Chinese steel (in percentage terms) versus Jan/Feb 2016 were Chile (+30%), Peru (28%), Ecuador (+97%), Brasil (+22%), Dominican Republic (+38%) and Argentina (+228%).

On the other hand, the countries that have reduce their imports of Chinese steel products versus Jan/Feb 2016 were: Central america (-6%), Colombia (-20%) and Mexico (-46%), Costa Rica (-14%), Venezuela (-52%) and Paraguay (-32%).

Imports from China by products

Finished flat were the products more imported by Latin America from China during Jan/Feb 2017, reaching 831 thous tons (66% of total). The most relevant products in terms of volume were:

- > Other alloyed steel sheets and coils (293 thous tons, 35% share of flat steel imported from China)
- > Hot dip galvanized sheet (176 thous tons, 21%)
- > Cold rolled coil (127 thous tons, 15%)

Long steel: China exported to Latin America 290 thous tons (23% of the total), mainly concentrated in:

- > Wire rod (134 thous tons, 46% share of long steels)
- > Bars (118 thous tons, 41%)

The region received 36 thous tons of seamless pipes (3% of the total).

Meanwhile, steel-derivate products represent 9% of total imports of Chinese steel in the region, with a volume of 109 thous tons, where:

- > Welded tubes (88 thous tons)
- > Wire (21 thous tons)

Glossary

Finished steel: Refers to steel included in one of these 3 groups: Long products (e.g.: reinforcing bars, bars, wire rod, light sections, heavy sections, rails), flat steel (e.g.: sheets and coils, coated sheets, pre-painted, stainless steel, chrome-plate sheets, hot dip galvanized sheet etc.) and seamless tubes.

Steel- derivatives products: Refers to the products that come from finished steel (welded tubes being the most significant item).

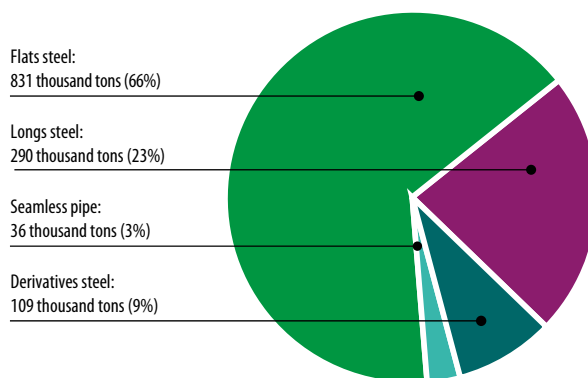
Central America: Considers Guatemala, Belize, Honduras, El Salvador, Nicaragua, Costa Rica and Panama.

Ton: A unit of weight or volume of sea cargo, equal to a metric ton (1,000 kg).

GRAPH 04

STEEL: EXPORTS FROM CHINA TO LATIN AMERICA BY PRODUCT

Jan/Feb 2017



Source: Alacero - GTIS - WTA (China customs)

About Alacero

Alacero –the Latin American Steel Association– is the organization that brings together the Steel Value Chain of Latin America to promote the values of regional integration, technological innovation, corporate responsibility, excellence in human resources, safe working environments, and social and environmental sustainability. Founded in 1959, Alacero is formed by 49 companies in 12 countries of Latin America, whose production of about 70 million annual tons. Alacero is a Special Consulting Organization to the United Nations and is recognized as International Non-Government Organization by the Republic of Chile, host country of Alacero’s headquarters.

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