

Latin America receives 15% more steel imported from China, reaching 2.6 million tons during Jan-Apr 2017

- In the first four months of the year, China exported to the world 26.4 million tons (Mt) of steel. Of that amount, 2.6 million tons (Mt) were shipped to Latin America.
- Chinese steel received by Latin America increased 15% compared with Jan/Apr 2016. The flow to the world contracted 27%.
- The region’s share of Chinese steel exports reached 9.8% (vs. 6.3% in Jan/Apr 2016).

Alacero - Santiago, Chile, June 09, 2017. In the period January-April 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-Apr 2016, reaching 26.4 million tons (Mt). Of this volume, 24.4 Mt were finished steel and 2.0 Mt were steel-derivatives products.

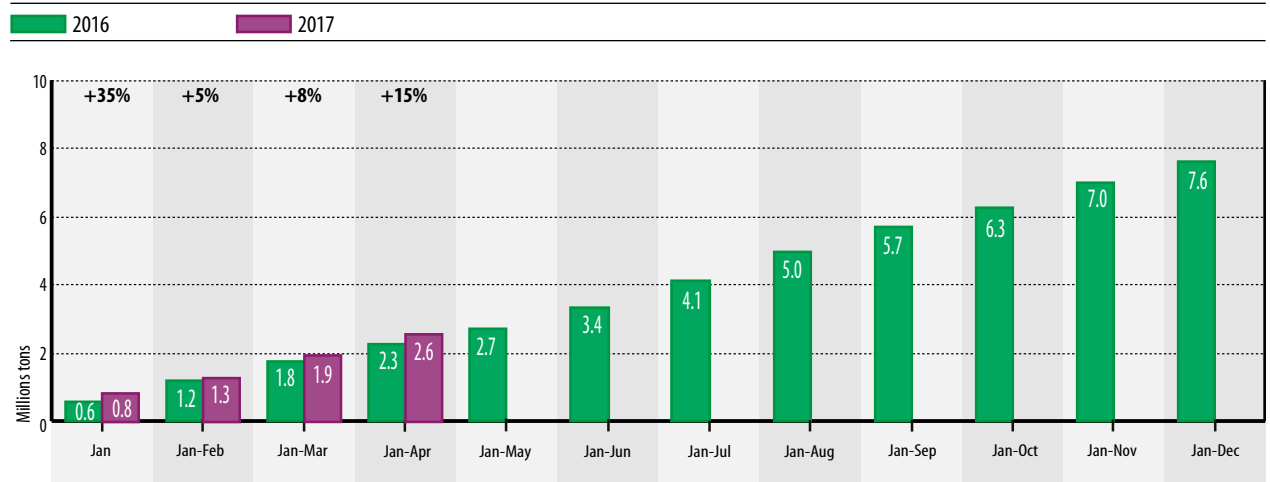
Latin America accounted for 9.8% of total global exports, increasing its participation in 3.5 percentage points versus Jan-Apr 2016 (6.3%) and standing at third place as China’s preferred destination. The region is preceded by South Korea (4.7 Mt, 18% of the global total) and Vietnam (3.1 Mt, 12% of the total).

From January to April 2017, China shipped 2.6 Mt of steel to Latin America, which 2.3 Mt were finished steel and 278 thousands (thous) tons were steel-derivatives products. This volume is 15% higher than the 2.2 Mt (2.0 Mt of finished products and 259 thous tons of steel-derivatives products) recorded in Jan-Apr 2016.

On the other hand, during this months, Latin America received 278 thous tons of steel-derivatives products from China, being the main global destination, representing 14.0% of the total. The region is followed by the Philippines (130 thous tons, 7.0% of the total) and South Korea (124 thous tons, 6.0% of the total).

GRAPH 01

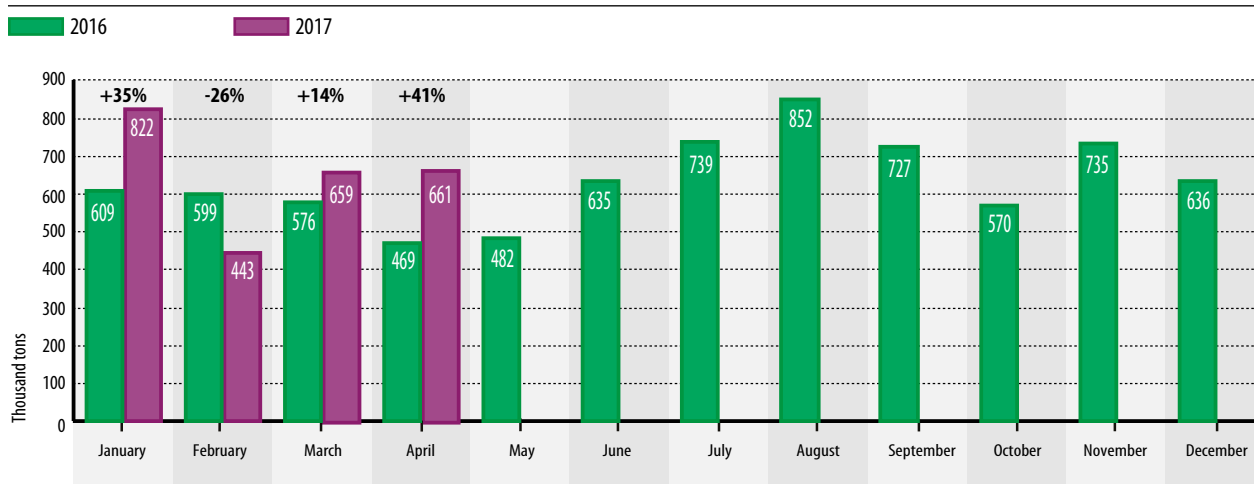
FINISHED AND STEEL-DERIVATIVES PRODUCTS EXPORTS FROM CHINA TO LATIN AMERICA. MONTHLY ACCUMULATED VOLUME AND ANNUAL VARIATION (%)



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)

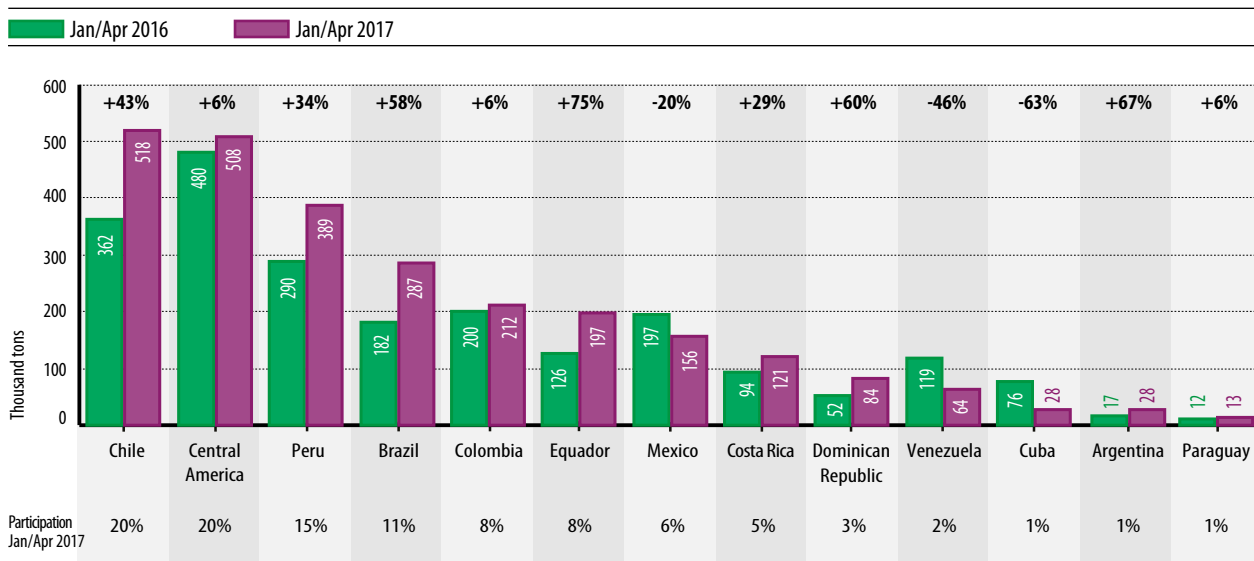
In April 2017, Latin America received 661 thousand tons of steel from China. Of this volume, 573 thousand tons were finished steel and 88 thousand tons were steel-derivatives products. This total is similar to registered previous month where entered 659 thousand tons (578 thousand tons of finished products and 82 thousand tons of derivatives products) and 41% higher versus 469 thousand tons from April 2016 (403 thousand tons of finished products and 66 thousand tons of derivatives products)

Finished steel imports from China by destination

The main destinations for Chinese steel (finished + steel-derivatives) in Latin America during the first four months 2017 were: Chile which received 518 thousand tons (20% of the region); Central America, 508 thousand tons (19%); and Peru, 389 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 four months of the year, the countries that increased their imports of Chinese steel (in percentage terms) versus Jan-Apr 2016 were Argentina (+67%), Dominican Republic (+60%), Brasil (+58%), Ecuador (+57%) and Chile (+43%).

On the other hand, the countries that have reduce their imports of Chinese steel products versus Jan-Apr 2016 were: Cuba (-63%), Venezuela (-46%) and México (-20%).

Imports from China by products

Flat were the products more imported by Latin America from China during Jan-Apr 2017, reaching 1.7 Mt (65% of total). The most relevant products in terms of volume were:

- > Other alloyed steel sheets and coils (555 thousand tons, 33% share of flat steel imported from China)
- > Hot dip galvanized sheet (370 thousand tons, 22%)
- > Cold rolled coil (270 thousand tons, 16%)

Long steel: China exported to Latin America 535 thousand tons (21% of the total), mainly concentrated in:

- > Wire rod (255 thousand tons, 48% share of long steels)
- > Bars (220 thousand tons, 41%)

The region received 85 thousand tons of seamless pipes (3% of the total).

Meanwhile, steel-derivate products represent 11% of total imports of Chinese steel in the region, with a volume of 278 thousand tons, where:

- > Welded tubes (229 thousand tons)
- > Wire (49 thousand 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).

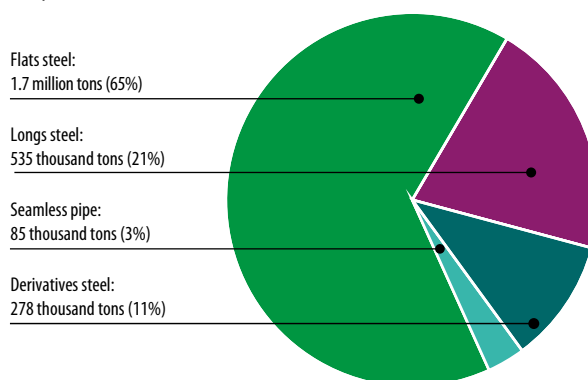
Central America: Considers Guatemala, Belize, Honduras, El Salvador, Nicaragua, Costa Rica and Panama.

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/Apr 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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