

Latin America: Imports of Chinese steel increase 19%, reaching 3.3 million tons during Jan-May 2017

- In the first five months of the year, China exported to the world 33.1 million tons (Mt) of steel. Of that amount, 3.3 million tons (Mt) were shipped to Latin America.
- Chinese steel received by Latin America increased 19% compared with Jan/May 2016 (2.7 Mt). The flow to the world contracted 27%.
- The region’s share of Chinese steel exports reached 9.9% (vs. 6.0% in Jan/May 2016).

Alacero - Santiago, Chile, July 04, 2017. In the period January-May 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-May 2016, reaching 33.1 million tons (Mt). Of this volume, 30.5 Mt were finished steel and 2.6 Mt were steel-derivatives products.

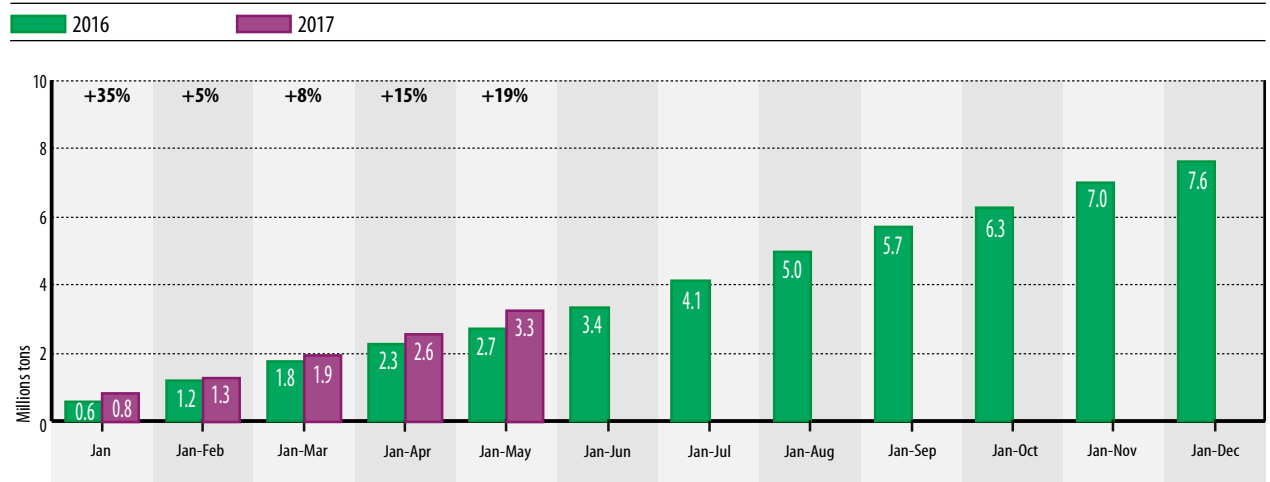
Latin America accounted for 9.9% of total global exports, increasing its participation in 3.9 percentage points versus Jan-May 2016 (6.0%) and standing at third place as China’s preferred destination. The region is preceded by South Korea (5.7 Mt, 17% of the global total) and Vietnam (3.7 Mt, 11% of the total).

From Jan-May 2017, China shipped 3.3 Mt of steel to Latin America, which 2.9 Mt were finished steel and 360 thousands (thous) tons were steel-derivatives products. This volume is 19% higher than the 2.7 Mt (2.4 Mt of finished products and 315 thous tons of steel-derivatives products) recorded in Jan-May 2016. See graph 01.

During this months, Latin America recibed 360 thous tons of steel-derivatives products from China, being the main global destination for these steel, representing 13.7% of the total. The region is followed by the Philippines (178 thous tons, 7.0% of the total) and South Korea (156 thous tons, 6.0% of the total).

GRAPH 01

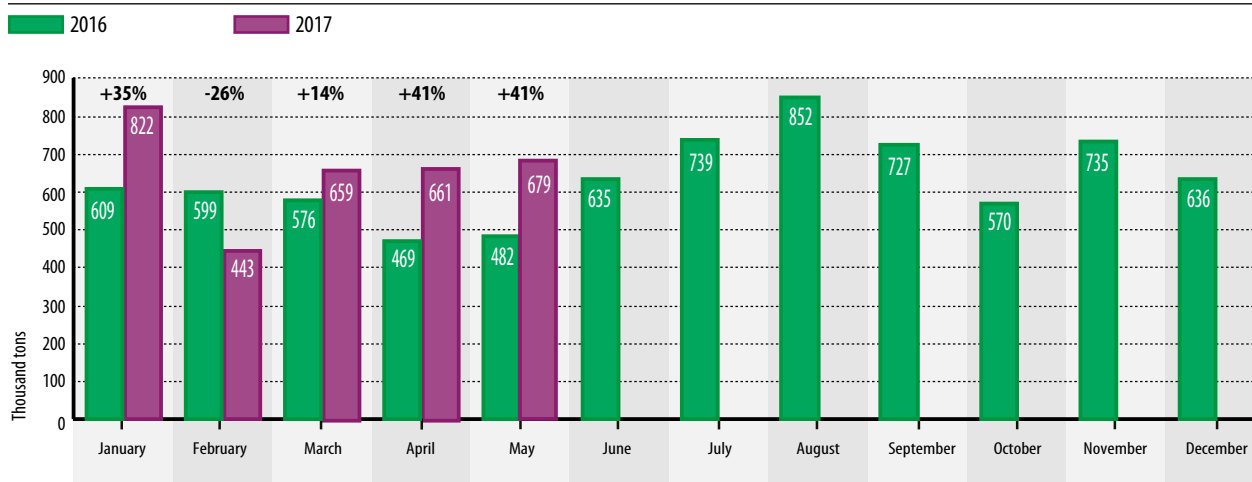
FINISHED AND STEEL-DERIVATIVES PRODUCTS EXPORTS FROM CHINA TO LATIN AMERICA. MONTHLY ACCUMULATED VOLUME AND ANUAL VARIATION (%)



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)

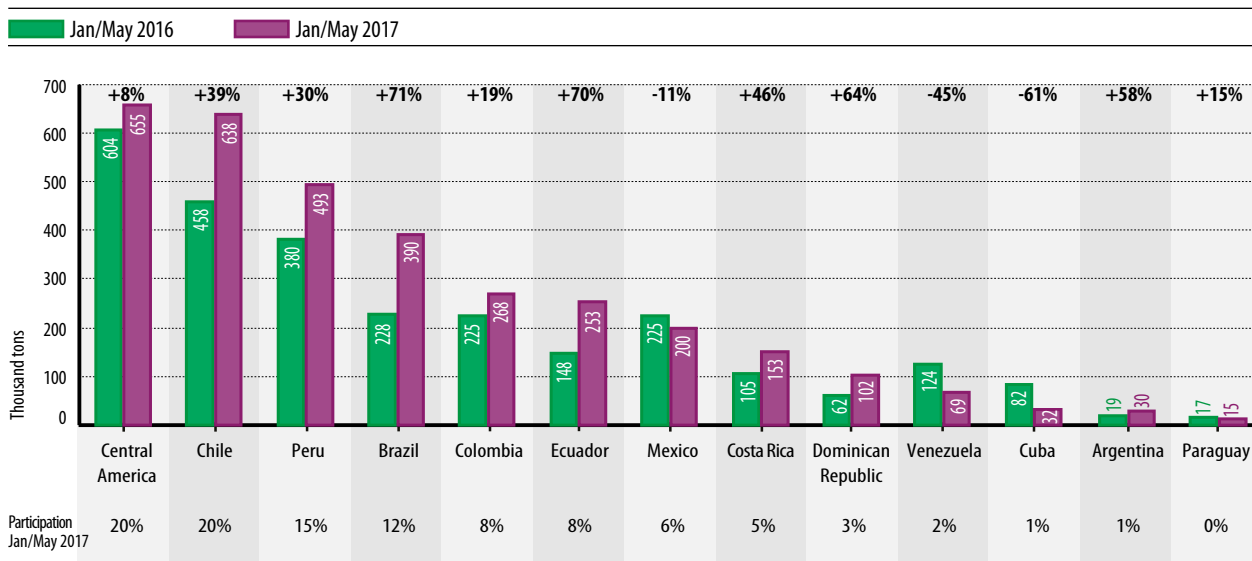
In May 2017, Latin America received 679 thousand tons of steel from China. Of this volume, 597 thousand tons were finished steel and 81 thousand tons were steel-derivatives products. This total is 3% higher than registered in the previous month where entered 661 thousand tons (573 thousand tons of finished products and 88 thousand tons of derivatives products) and 41% higher versus 482 thousand tons from May 2016 (425 thousand tons of finished products and 57 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 Jan-May 2017 were: Central America which received 655 thousand tons (20% of the region); Chile with 638 thousand tons (20%); and Peru, 493 thousand tons (15%).

GRAPH 03

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



Source: Alacero - GTIS - WTA (China customs)

In this five months of the year, the countries that increased their imports of Chinese steel (in percentage terms) versus Jan-May 2016 were Brazil (+71%), Ecuador (+70%), Dominican Republic (+64%), Argentina (+58%) and Costa Rica (+46%).

On the other hand, the countries that have reduce their imports of Chinese steel products versus Jan-May 2016 were: Cuba (-61%), Venezuela (-45%) and Paraguay (-15%).

Imports from China by products

Flat were the main products imported by Latin America from China during Jan-May 2017, reaching 2.2 Mt (66% of total). The most relevant products in terms of volume were:

- > Other alloyed steel sheets and coils (660 thousand tons, 30% share of flat steel imported from China)
- > Hot dip galvanized sheet (529 thousand tons, 24%)
- > Cold rolled coil (356 thousand tons, 16%)

Long steel: China exported to Latin America 624 thousand tons (19% of the total), mainly concentrated in:

- > Wire rod (307 thousand tons, 49% share of long steels)
- > Bars (250 thousand tons, 40%)

The region received 112 thousand tons of seamless pipes (4% of the total).

Meanwhile, steel-derivate products represent 11% of total imports of Chinese steel in the region, with a volume of 360 thousand tons, where:

- > Welded tubes (299 thousand tons)
- > Wire (61 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).

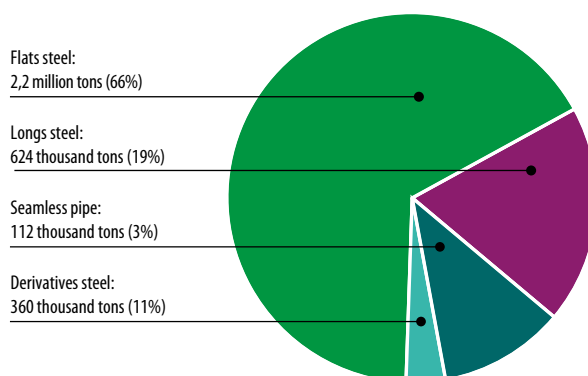
Central America: Considers Guatemala, Belize, Honduras, El Salvador, Nicaragua, Costa Rica and Panama.

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/May 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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