

11% increased the Chinese steel products exports to Latin America, reaching 4.6 million tons during Jan-Jul 2017

- China exported to the world 46.3 million tons (Mt) of steel. Of that amount, 4.6 million tons (Mt) were shipped to Latin America.
- Chinese steel received by Latin America increased 11% compared with Jan/Jul 2016. The flow to the world contracted 30%.
- The region’s share of Chinese steel exports reached 9.8% (vs. 6.2% in Jan/Jul 2016).

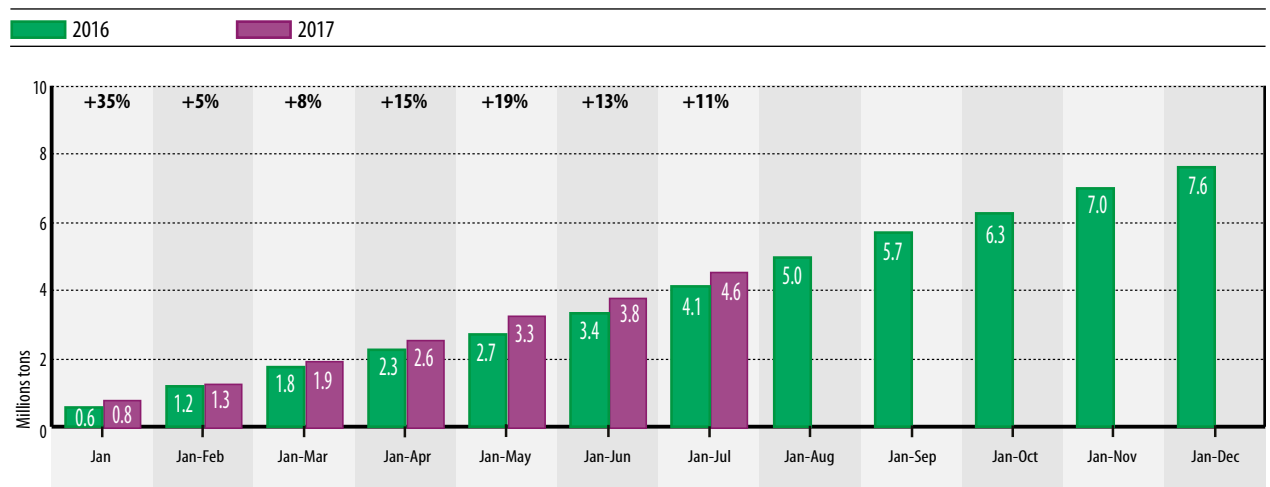
Alacero - Santiago, Chile, September 08, 2017. Between the first seven months of the year 2017, the total exports of steel from China to the world -including finished (long steel, flat steel and seamless pipes) and steel-derivatives products (wire products and welded tubes)- decreased 30% versus Jan-Jul 2016, reaching 46.3 million tons (Mt). Of this volume, 42.5 Mt were finished steel and 3.8 Mt were steel-derivatives products. However, exports to Latin America continue to rise.

For its part, the region accounted for 9.8% of total global exports, increasing its participation in 3.6 percentage points versus Jan-Jul 2016 (6.2%) and standing at third place as China’s preferred destination. The region is preceded by South Korea (7.5 Mt, 16% of the global total) and Vietnam (4.9 Mt, 10% of the total).

China shipped 4.6 Mt of steel to Latin America, which 4.1 Mt were finished steel and 494 thousands tons were steel-derivatives products. This volume is 11% higher than the 4.1 Mt (3.6 Mt of finished products and 467 thousands tons of steel-derivatives products) recorded in Jan-Jul 2016.

GRAPH 01

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



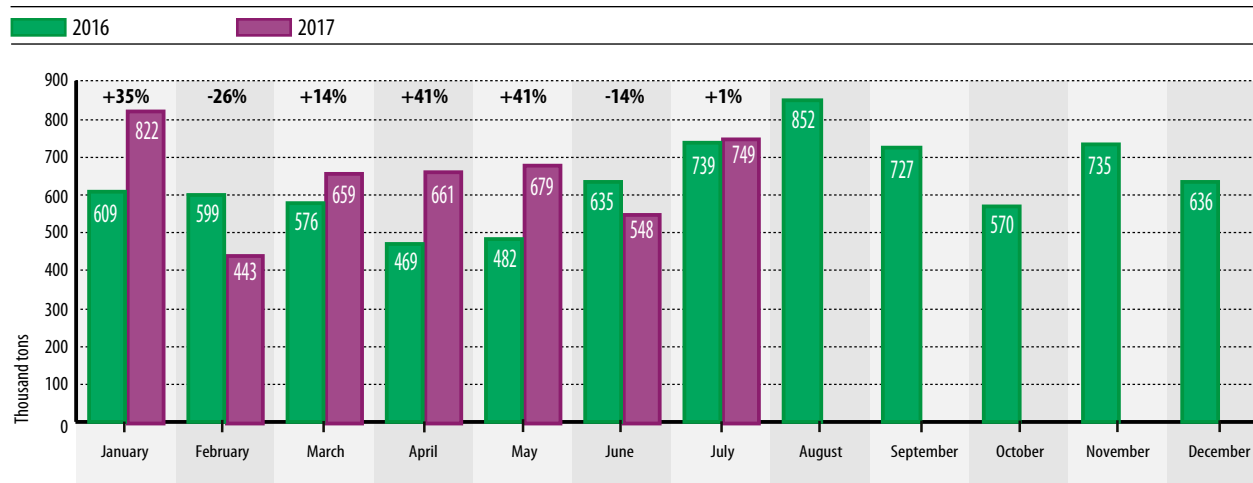
Source: Alacero - GTIS - WTA (China customs)

In the case of steel-derivatives products, the region received 360 thousands tons from China, being the main global destination for these steel, representing 13.0% of the total. The region is followed by the Philippines (252 thousands tons, 7.0% of the total) and South Korea (245 thousands tons, 6.0% of the total).

In July 2017, Latin America received 749 thousands tons of steel from China. Of this volume, 670 thousands tons were finished steel and 79 thousands tons were steel-derivatives products. This total is 37% higher than registered in the previous month where entered 548 thousands tons (492 thousands tons of finished products and 55 thousands tons of derivatives products) and 1.0% higher versus 739 thousands tons from Jul 2016 (659 thousands tons of finished products and 80 thousands tons of derivatives products)

GRAPH 02

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



Source: Alacero - GTIS - WTA (China customs)

Finished steel imports from China by destination

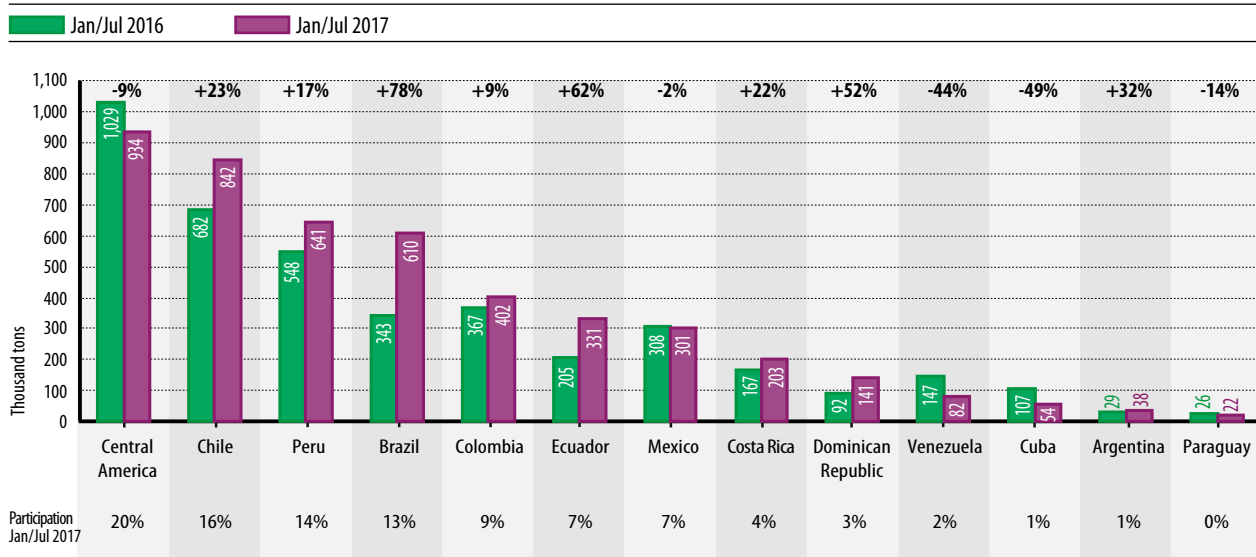
The main destinations for Chinese steel (finished + steel-derivatives) in Latin American during Jan-Jul 2017 were: Central America which received 934 thousands tons (20% of the region); Chile with 842 thousands tons (18%); and Peru, 641 thousands tons (14%).

In this seven months of the year, the countries that increased their imports of Chinese steel (in percentage terms) versus Jan-Jul 2016 were Brazil (+78%), Ecuador (+62%), Dominican Republic (+52%), Argentina (+32%) and Chile (+23%).

On the other hand, the countries that have reduce their imports of Chinese steel products versus Jan-Jul 2016 were: Cuba (-49%), Venezuela (-44%) and Paraguay (-14%).

GRAPH 03

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



Source: Alacero - GTIS - WTA (China customs)

Imports from China by products

Flat steel were the main products imported by Latin America from China during Jan-Jul 2017, reaching 3.1Mt (67% of total). The most relevant products in terms of volume were:

- > Other alloyed steel sheets and coils (898 thousands tons, 29% share of flat steel imported from China)
- > Hot dip galvanized sheet (765 thousands tons, 25%)
- > Cold rolled coil (526 thousands tons, 17%)

Long steel: China exported to Latin America 840 thousands tons (18% of the total), mainly concentrated in:

- > Wire rod (447 thousands tons, 53% share of long steels)
- > Bars (315 thousands tons, 37%)

The region received 153 thousands tons of seamless pipes (3% of the total).

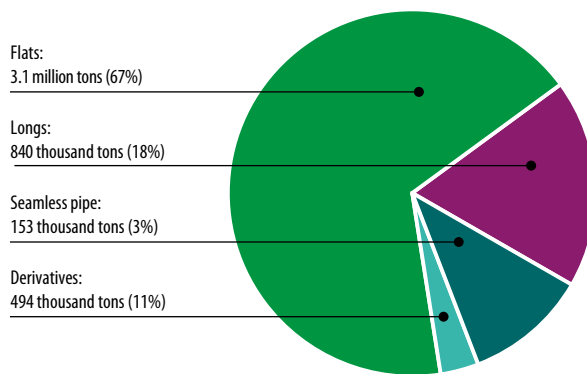
Meanwhile, steel-derivate products represent 11% of total imports of Chinese steel in the region, with a volume of 494 thousands tons, where:

- > Welded tubes (408 thousands tons)
- > Wire (85 thousands tons)

GRAPH 04

STEEL: EXPORTS FROM CHINA TO LATIN AMERICA BY PRODUCT

Jan/Jul 2017



Source: Alacero - GTIS - WTA (China customs)

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).

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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