
Analysis on Chinese ferroalloy imports and exports in H1

Tuesday, 05 Aug, 2008

Analysis on China ferroalloys import and export during H1 of 2008 is as under

1. China's ferroalloy exports rose compared with the same period of last year, but the growth dropped dramatically.

China exported 1.7232 million tonnes of ferroalloy in H1 of 2008 accounting for 18.11% of total output up by 8.09% YoY. The growth fell significantly, owing to export tariff hikes in the year beginning.

2. Exports in June declined from May.

China exported 307,658.9 tonnes in June only up by 10.57% YoY yet down by 8.75% MoM. Exports of FeSi and FeCr decreased with that of SiMn maintained firm. Though exports in June slid from a month earlier, the volume still stayed above 300,000 tonnes, the third consecutive month eying exports of more than 300,000 tonnes. Exports in February slumped in February due to China's export tariff hike in the year beginning yet rebounded in March and April hitting record highs. However, surging FeSi price made the product less competitive in international market and FeSi exports sagged rapidly with price downtrend.

3. Fresh resources in June come near to 1.7 million tonnes in June.

New ferroalloy resources posted an uptrend in H1 of 2008 except a modest retreat of daily increment in May. Total resources increased by 1.895 million tonnes in June up by 115,200 tonnes MoM and up by 261,200 tonnes YoY. Decreasing exports, increasing imports and record high outputs were the main reasons for jumping fresh resources. The figure is expected to descend modestly in July.

4. Imports in H1 remained firm with a slight rally in June

China imported 769,400 tonnes of ferroalloy in the first six months up by 4.33% YoY. Imports in Jun revived slightly compared with April and May. FeCr is one of the important import commodities. As FeCr imports in April and May shrank due to weak market, resources fell into short supply in June and imports thus increased. The country imported 99,861.05 tonnes of FeCr in June up by 26,100 tonnes from a month ago.

5. The proportion of export against output drifted downward in June

Export volume in June declined by 29,500 tonnes and the proportion of export against output descended to 16.24%. The proportion lingered at some 20% in 2006 and 2007. China frequently raised export tariffs since 2006 but this worked little, hence the country pulled up tariffs again in January of 2008. The proportion dropped to 15.5% in the following February but rose to 18.13% in April and then 18.59% in May as overseas market consumed the tariffs. Proportion declined in June on account of rumor of further tariff hikes.

6. FeSi exports tobogganed in June whilst FeMn exports climbed

Ferroalloy exports swelled after international market accepted China's new export tariffs. FeSi exports hot up in April and May, leading to bloomy domestic FeSi market from March to early June. But rising price weakened competitiveness and posted a downtrend in June with a sharp decrease in exports.

(Sourced from MySteel.net)

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