
Scrap steel exports to China quadruple - Marubeni

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Bloomberg reported that Marubeni Corp Japan's second largest scrap steel trader exports to China quadrupled in the past two months as demand improved in response to a planned government stimulus.

Mr Kazuo Baba a general manager at Marubeni's iron and steel materials trading unit Marubeni Tetsugen Co said monthly scrap exports in December and January were about 200,000 tonnes up from the 50,000 tonnes typical of most months.

He said that "It appears that China's stimulus measures are gradually resuscitating steel demand. About 60% of the scrap was bought by steelmakers and the rest by trading houses including Fengli Group Co."

The Tokyo area scrap dealers' cooperative said benchmark Chinese steel prices have gained 40 percent from a six year low after the government announced its stimulus package in November. Japanese scrap export prices under January contracts rose 28% from a month earlier to JPY 23,312 per tonne, Kanto Tetsugen. It peaked at more than JPY 70,000 last July.

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