
EU steel demand dips by almost 50% in Q1 - EUROFER

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EUROFER's April'09 report on the Economic and Steel Market Outlook 2009-2010 illustrates in detail the dramatic impact of the economic crisis on the EU manufacturing and construction sectors. The sharp decrease of activity in the steel using industries translated into a drop in EU steel demand by almost 50% in the first quarter of this year.

The report shows that "The situation will not improve significantly in the course of 2009. Orders books in industry are getting exhausted due to the lack of new orders. Moreover, current stocks at end-users and in the steel distribution chain are assessed as being still much too high compared to the weak activity levels. This means that a further significant inventory reduction is needed before the supply-demand situation can come closer to a balance."

It said that "Consequently, order intakes at EU steel mills are expected to be at unprecedented low levels for the time being. Meanwhile, import pressure in the EU has remained relatively high."

EUROFER said that "On balance, the latest forecasts show apparent steel consumption falling by 40% to 45% YoY in the first half of this year and by almost 30% in the whole of 2009."

It added that "The outlook for 2010 remains depressed. Real steel consumption will remain at a low level, while apparent consumption could see some growth, owing to the fading influence of the stock cycle."

(Sourced from www.steelprices-europe.com)

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