
Nippon Steel sees demand recovery weaker than expected

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Nippon Steel Corp said that it expects its steel output to rise in July to September but added that a recovery in demand has been weaker than expected, particularly in the construction and auto sectors.

Mr Shinichi Taniguchi executive vice president of Nippon Steel told Reuters in an interview that "The tempo of the recovery has been slower than what we expected at the end of April for sectors like construction and manufacturing, including autos."

He added that "We haven't seen a solid recovery in demand yet." He also said that export markets have been weaker than expected.

Mr Taniguchi said the company expects its crude steel output to rise to nearly 6 million tonnes in the July-September, up from an estimated 4.5 to 4.6 million tonnes in the current quarter. He said that its plant capacity utilization rate will likely rise to close to 70% during the quarter up from around 55% to 60% currently.

Mr Taniguchi said the company aims for a recurring loss, which is before taxes and extraordinary items, of JPY 100 billion in the first quarter as planned.

(Sourced from Reuters)

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