Global Steel Scrap Consumption to Reach 631.5 Million Tons by 2015, According to New Report by Global Industry Analysts, Inc.

GIA announces the release of a global report on Steel Scrap market. The global steel scrap market is projected to reach 631.5 million tons by 2015, driven by the rise in steel production following a lull in steel industry operations due to the global recession. Improving sales in the automobile industry and enhanced construction activity, the hardest hit segments due to recession, are expected to fuel demand for scrap steel. Steel scrap’s favorable impact on the environment is also expected to boost the consumption levels in steel making industry.

San Jose, California (Vocus) August 11, 2010 -- Scrap market is a key supplier of ferrous materials that are used in the steel making process. The increasing use of steel scrap in steel making is largely attributed to its ability to be repeatedly used as a secondary raw material without loss of quality. Steel scrap is also recognized as the oldest and the largest recycling sector in the world, offering benefits by conserving raw material, energy and by saving landfill space.

Scrap steel industry has been significantly affected by the global economic meltdown, which led to a steep decline in the global supply of scrap steel. Due to the economic slowdown, consumers across the world delayed purchasing decisions related to new cars and home renovation, which constitute the leading sources of scrap steel. The decline in the recycling activity during the economic recession also affected the supply of steel scrap. However, the economic recovery of developed countries is likely to ensure greater availability of steel scrap. As western economies have traditionally driven the scrap arisings, decline in steel making operations affects the global supply levels of steel scrap.

Asia-Pacific and Europe accounts for more than 70% of the global steel scrap consumption, as stated by the new market research report on steel scrap. As majority of the scrap steel is used in the production of new steel, trends and developments in the steel industry significantly influence the demand scenario in the steel scrap industry. The anticipated recovery of the global economy is also expected to favor increased demand for steel scrap. Rising demand for raw materials used in steel making industry from rapidly expanding emerging markets such as China, India and Brazil is expected to fuel demand for steel scrap. Establishment and operational commencement of new steel mills using electric arc furnace technology is also expected to fuel demand for steel scrap.

A major challenge facing the steel scrap market is the imposition of restrictions on export of steel scrap by several countries, which is expected to adversely affect countries that rely exclusively on imports for meeting domestic requirements. Such restrictions generally take the form of export prohibitions, taxes, administrative measures, and export quotas. The restrictions not only lead to price rise in the global markets, but also provide unfair competitive advantage to domestic manufacturers, and enhance cost of production.

Steel scrap is the key raw material used by electric arc furnace for production of steel. More than 55% of steel produced in the European Union employs steel scrap as the raw material. The European steel industry is witnessing lower volumes of steel production, lower scrap consumption, lower levels of new scrap arisings. European companies using electric arc furnace technology, which uses steel scrap as the primary raw material for the manufacture of steel, accounted for over 40% of all steel production.
China leads the world market in the production of steel. However, the country consumes a relatively smaller proportion of scrap steel for steel production. Robust domestic demand along with strong economic development has been the driving force behind the growth in Chinese steel industry. However, the sector witnessed turbulent times in 2008 and 2009 with steep decline in external consumption leading to decrease in Chinese export of steel. The adverse economic conditions and the subsequent decline in steel demand led to cuts in the production at several domestic steel mills resulting in substantial decline in the steel output, which is also evident in the decreased consumption of steel scrap.


The report titled “Steel Scrap: A Global Strategic Business Report” announced by Global Industry Analysts, Inc., provides a review of market trends, steel industry dynamics, and recent industry activity. The report provides market data and analytics for the following geographic markets – North America, Europe, Asia-Pacific, and Rest of World.

For more details about this comprehensive market research report, please visit – http://www.strategyr.com/Steel_Scrap_Market_Report.asp

About Global Industry Analysts, Inc.
Global Industry Analysts, Inc. (GIA) is a reputed publisher of off-the-shelf market research. Founded in 1987, the company is globally recognized as one of the world’s largest market research publishers. The company employs over 800 people worldwide and publishes more than 1200 full-scale research reports each year. Additionally, the company also offers thousands of smaller research products including company reports, market trend reports, and industry reports encompassing all major industries worldwide.

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