



**OVER-CAPACITIES REMAIN**


**CHINESE EXPORTS INCREASE  
IMBALANCE SUPPLY/DEMAND**


 China in 2014  
**45%** of global steel consumption


 Softening demand  
**-2.2%** 2015    **-2.5% (f)** 2016

 World production in 2015  
**-1.8%** Only India **+3.5%**

**CHINA: STRUCTURAL  
CHANGES**

 Decline of industry,  
move towards services

 Renewed growth:  
steel exports  
**+20%** in 2015

 In February 2016, the  
government announced  
a first reduction in  
production capacity



**METALS INDUSTRIES, THE  
WORLD'S RISKIEST SECTOR**


**SOLVENCY OF SECTOR IS  
THREATENED**

 **33.8%** of production lines  
stopped

 China's price competitiveness  
weakens businesses worldwide,  
including Europe


 The sector is one of  
the least profitable  
**90<sup>th</sup>/94** sectors


 Increase in corporate debt  
**50.7%** of the equity  
in China


 Metals assessed «very high  
risk» in Western Europe,  
emerging Asia, Middle East  
and Latin America


**OUTLOOK: RETURN TO NORMAL FOR 2018**

 Emerging economies: Less dynamic  
but growth continues

 **3** Improved growth of the  
main steel-consuming sectors  
→ **78%** of world demand

**52%**  High potential for urbanisation in India,  
Sub-Saharan Africa and emerging Asia  
Construction

**14%**  Many growth drivers:  
- Emerging: increasing industrialisation  
- Advanced: improvement of the productive apparatus  
Mechanical

**12%**  Significant opportunity for progress in emerging countries  
India: 100 cars / 1000 inhabitants  
USA: 808 cars / 1000 inhabitants  
Automotive

