

Economic press release

Strong rebound in first half of 2021 but recovery slows down as uncertainty weighs on steel market

Brussels, 28 October 2021 – In the second quarter of 2021 EU27 apparent steel consumption recorded 40 million tonnes, scoring an exceptional year-on-year growth rate (+40.5%) compared to the extremely low levels of 2020 caused by the COVID-19 economic shock. The outlook, however, is turning increasingly uncertain at least for the last quarter 2021 and the first quarter 2022.

“The strong rebound seen in the first half of the year driven by industry demand has probably reached its peak as growing uncertainty is slowing down recovery”, said Axel Eggert, Director General of the European Steel Association (EUROFER). “Growth in steel-using industries is expected to continue through 2021, however at a more moderate pace because of disruptions in the global supply chain – for example semi-conductors shortage in the automotive industry -, hikes in energy prices, and the unstable COVID situation”.

Steel consumption is set to bounce back (+13%) in 2021 and to grow more moderately (+4.7%) in 2022, when it is expected to reach above 2017 levels thanks to mild but continued improvement in activity in steel-using sectors.

EU steel market overview

Mirroring the continued improvement in demand, domestic deliveries in the EU also recorded exceptional growth in volumes over the second quarter of 2021 (+39.6%, after +1% in the first quarter).

Data also show a massive surge in EU steel imports (+45%) compared to the negative trend in the first quarter of 2021 (-2.5%), in 2020 (-17.2%) and 2019 (-10.9%).

EU steel-using sectors

In the second quarter of 2021 steel-using sectors’ output grew at an exceptionally high rate (+29.2%), scoring the second increase in a row after the first quarter (+2.8%).

Driven by domestic appliances and automotive, steel-using industries in the EU have been experiencing a robust recovery since the loosening of lockdown measures, following the unprecedented fall in production (-25.4%) in the second quarter of 2020.

However, considerable problems in the global supply chain experienced since July 2021 - in particular affecting automotive - are expected to have a substantial impact on the overall steel-using industries outlook, at least until the first quarter of 2022.

Notes for editors

Contact

Lucia Sali, Spokesman and Head of Communications,
+32 2 738 79 35, (l.sali@eurofer.eu)

About the European Steel Association (EUROFER)

EUROFER AISBL is located in Brussels and was founded in 1976. It represents the entirety of steel production in the European Union. EUROFER members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federations in the United Kingdom and Turkey are associate members.

The European Steel Association is recorded in the EU transparency register: 93038071152-83.

About the European steel industry

The European steel industry is a world leader in innovation and environmental sustainability. It has a turnover of around €170 billion and directly employs 330,000 highly-skilled people, producing on average 160 million tonnes of steel per year. More than 500 steel production sites across 22 EU Member States provide direct and indirect employment to millions more European citizens. Closely integrated with Europe's manufacturing and construction industries, steel is the backbone for development, growth and employment in Europe.

Steel is the most versatile industrial material in the world. The thousands of different grades and types of steel developed by the industry make the modern world possible. Steel is 100% recyclable and therefore is a fundamental part of the circular economy. As a basic engineering material, steel is also an essential factor in the development and deployment of innovative, CO2-mitigating technologies, improving resource efficiency and fostering sustainable development in Europe.