worldsteel Short Range Outlook: EU - and Germany in particular - falling further behind

Berlin, 10 April 2024 **|** The World Steel Association (worldsteel) expects global demand for steel to grow slightly again in 2024 and 2025, following a decline in apparent steel use in the past two years. This forecast is based on a stable development in China, a significant upturn in steel demand in the emerging markets, particularly in India, and relative strength in demand for steel in the advanced countries. This also includes the USA, where steel demand is receiving a boost from infrastructure programmes and the Inflation Reduction Act.

"Worldwide, the biggest challenges in the steel industry are currently in the European Union and especially in Germany," explains Dr Martin Theuringer, Chairman of the worldsteel Economics Committee and Managing Director of the German Steel Association. Although demand for steel is also recovering in the EU, it is starting from a very low level. For Germany, worldsteel only sees a technical recovery this year, which is mainly due to the inventory cycle and will only gain momentum from 2025. But even then, demand for steel in Germany is unlikely to significantly exceed the low level of the pandemic in 2020. "The weak recovery in the EU and especially in Germany contrasts with the USA, where demand for steel is expected to increase by a total of 20 per cent between 2020 and 2025 - an increase despite weak residential construction but thanks to high investment also in the expansion of production capacities," says Theuringer.

Kerstin Maria Rippel, CEO of the German Steel Association, underlines the seriousness of the situation for Germany: "Despite the global economic recovery, we do not see any progress in Germany. This is bad news that extends far beyond our sector, as the demand for steel is an indicator of the general state of the German industrial location. If we want to achieve our climate targets and at the same time maintain our economic strength and resilience, our country needs a strong industrial basis, that has to be backed up by the right political framework decisions. This includes finding a German and European response to the industrial policies that are currently driving other regions of the world forward."

The German Steel Association (Wirtschaftsvereinigung Stahl) is the political voice of the steel producing companies in Germany. These companies have set themselves the goal of producing steel in a CO_2-neutral way by 2045 - thus saving one third of total industrial greenhouse gas emissions in Germany. The association, headquartered in Berlin, promotes a political framework that will make it possible for Germany to become a climate neutral steel location and remain strong in the future. With around 40 million tons per year, Germany has the largest steel production in Europe.

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