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WORLD REFRACTORY, STEEL AND RELATED NEWS

1) March 2009 Crude Steel Production

World crude steel production for the 66 countries reporting to the World Steel Association (worldsteel) was 92 million metric tons (mmt) in March. This is 23.5% lower than March 2008.

World steel production in the first quarter of 2009 was 264 mmt, a decrease of -22.8% compared to the first quarter of 2008.

In the first three months of 2009 Asia produced 173 mmt of crude steel, a decrease of -8.9% over the first quarter of 2008. The EU produced 30 mmt of steel in the first quarter of 2009, down by -43.8% compared to the same quarter of 2008. North America showed a -52.1% decline, producing 16.6 mmt during the first three months of 2009.

China showed a slight increase of 1.4% while all the other major steel producing countries showed a decrease in the first quarter of 2009.

China's crude steel production production for March 2009 was 45.1 mmt, -0.3% lower than March 2008. Japan produced 5.7 mmt of crude steel in March 2009, down by -46.7% compared to the same month last year. South Korea showed a decrease of -21.2% from March 2008, producing 3.7 mmt of crude steel in March 2009.

In the EU, Germany's crude steel was 2.1 mmt in March 2009, a decrease of -49.8% from March 2008. Italy's crude steel production was 1.7 mmt, down -42.7% compared to the same month last year. France showed a decrease of -36.7% from March 2008, producing 1.1 mmt in March 2009. Spain's crude steel production for March 2009 was 1.1 mmt, - 41.2% less than the same month last year.

The US produced 4.1 mmt of crude steel in March 2009, a decrease of -52.7% compared to the same month last year. Brazilian production was 1.7 mmt, -41.5% less than in March 2008.

Russia showed a -30.9% decrease from March 2008, producing 4.6 mmt of crude steel in March 2009. Ukraine produced 2.4 mmt of crude steel in March, a 38.5% decrease on the same month 2008.

Turkey produced 1.8 mmt of crude steel in March 2009, a -24.5% down on 2008.

Source: World Steel Association, www.worldsteel.org, April 21 2009

2) Japan March crude steel output falls 47 pct yr/yr

Japan's crude steel output in March fell a record 46.7 percent from a year earlier to 5.74 million tonnes, dropping for the sixth straight month, the Japan Iron and Steel Federation said on Monday.

The year-on-year percentage decline in monthly output was the biggest since January 1949, the industry group said.

Japan's crude steel output in the 2008/09 financial year, ended March 31, came to 105.5 million tonnes, down 13.2 percent from the previous year, the industry body said. It was the first decline in three years.

Source: Metalsplace, <http://metalsplace.com>, April 20 2009

3) China steel prices predicted to rise in Q2 and perform better in H2

Steel prices in China are expected to rebound in the second quarter after building bottom amid fluctuations in the first quarter, and the steel market in the second half year will outperform that in the first half, with steel prices this year generally lower than the previous year, an analyst with www.sxjs.net noted.

According to the analyst, the domestic building steels market will see stable demand but an overall oversupply in the face of rapidly growing output but shrinking export. Meanwhile, ample capital supply on the domestic market is predicted to shore up raw materials prices and thus support prices of building materials.

The analyst forecasted that the building steels prices would swing at average cost in the second half year and stay higher than that for the first half.

With new production capacities to be released in succession in the second half, the domestic medium plate market may face increasing oversupply pressure. Its downstream engineering machinery industry and ship building industry will keep growth momentum till October when they are likely to receive inadequate orders to exert negative impact on medium plate market.

China's steel coil market has suffered capacity surplus and faltering demand recently but is promising to recover in the second quarter as the investment expansion and stimulus plans start to play positive effects on the market.

Currently, steel strip prices on the domestic market are bottoming and predicted to rally in the second quarter and buoy further in the second half.

Source: Metalsplace, <http://metalsplace.com>, April 17 2009

4) Chinese traders optimistic on steel market despite limited export

According to certain Chinese exporter that only a little of medium plates can be exported right now with a price of USD 480 per tonne FOB. The main destination for them remains to be South Korea.

Referring to HRC, he believed it is impossible to export any cargo for the moment due to the much higher price compared with the international offer. Main problem behind this is the relatively flourishing domestic market in China.

The trader noted that by comparison, the domestic market in South Korea is much limited, thus its exporters are struggling to export steel products and fortunately, its export orders for Q2 are filled for the moment.

Many Chinese traders rushed to import slab in March in the hope of domestic price increase in the future. Nevertheless, those traders just import a threat as a result. Further more, the value added tax stands as high as 17% thus, many importers just pay much close attention to the market, wishing to purchase some in a proper time.

Albeit some traders just hold an optimistic attitude to the steel market and as far as they concerned the bottom price on the international market seems to leave us away now.

Source: Metalsplace, <http://metalsplace.com>, April 15 2009

5) Indian steel makers not to raise prices

Steel manufacturers are not considering any price rise even as domestic demand has revived, making up for slump in the overseas markets, which may see a decline in exports by half in 2009-10 compared to the previous year.

“Price increase is not even under consideration at the moment... We would like to sell more volumes at lower prices. Globally prices are low, input (price) pressure has come down. So, prices will remain almost flat this fiscal,” JSW Steel Vice-Chairman and MD Mr Sajjan Jindal said here on Tuesday.

Commodity prices, including steel and its vital inputs like iron ore and coking coal have crashed by about 70 per cent in the last one year. After a slump in the October-December 2008 quarter, there was a spurt in the offtake in the past three months, supported by infrastructure as well as automobile sectors.

“January-March quarter was good for the domestic steel industry as demand was robust,” Mr Jindal said. However, whether the demand is sustainable in the new fiscal remains to be seen, he said, adding 12-13 per cent interest rates make infrastructure projects unviable and it should come down to a single digit soon.

He said exports are expected to fall this fiscal to half its size in 2008-09. “Steel exports will come down to five per cent of total production in view of slump in demand in the west and parallel improvement in domestic demand,” he said.

Source: Metalsplace, <http://metalsplace.com>, April 15 2009

6) UAE says steel dumping hurting local prices

The United Arab Emirates is concerned about steel dumping and the impact this is having on local prices, the UAE's economy minister said on Monday.

Global demand slumped with the economic slowdown, leaving inventories swollen and sellers struggling to find markets for steel.

"Right now the issue to address is dumping," UAE Economy Minister Sultan bin Saeed al-Mansouri told reporters on the sidelines of a steel conference. "It is causing prices here to fall."

The UAE is working with other Gulf Arab countries on a plan to address steel dumping in the region, Mansouri said. He declined to say which countries were dumping steel in the UAE, a seven-member federation led by Abu Dhabi.

An economic boom in the Middle East and strong demand from China had pushed steel prices to record highs in June 2008.

Steel sellers were still targeting demand centres such as the UAE that contributed to that rally, said Hussain al-Nowais, the chairman of state-run Emirates Steel Industries.

Demand for steel in the UAE had declined but was still holding up better than in many other countries, attracting sellers from elsewhere, Nowais said. UAE steel production had to be protected, he added.

European and Turkish steel makers had dumped steel in the Middle East, said Amhed Ezz, managing director of Egypt's largest steel maker Ezz Steel.

"When there is a surplus in the world steel supply they ship it away to the Arab world," Ezz said. "These countries, Turkey and Europe, are exporting problems, not products. They don't pollute their markets, they pollute our markets."

Concerns about protectionism globally are rising as the impact of the financial crisis spreads, trade flows fall and governments consider measures to help firms survive the downturn.

Steel featured in many measures taken by governments listed in a World Trade Organisation (WTO) report last month that could be seen as restricting trade.

Source: Metalsplace, <http://metalsplace.com>, April 13 2009

7) Iron-ore price drop likely

Secretive iron-ore price-contract negotiations between the world's biggest miners and steel makers are breaking in favor of the steel makers, which will likely win steep discounts from last year's prices.

"The period of huge profits for imported iron ore is over," predicts China Iron & Steel Association General Secretary Shan Shanghua.

This week, Posco, one of the world's biggest steel makers, said that given the economy and weak demand, iron-ore prices should be half their 2008 levels, which would mean 2009 prices of about \$40 to \$45 a metric ton.

Posco expects that negotiations -- which had stalled as both iron-ore producers and steel makers waited for a clear picture of the global economy -- will wrap up this month. Some smaller iron-ore producers, including Fortescue Metals Group Ltd. in Australia, said that it was preparing for at least a 30% cut in current iron-ore prices.

Earlier this year, the iron-ore producers were hoping to keep 2009 prices at the 2008 level. But by February, they were hoping to take just a 20% cut. Now it looks increasingly likely that the cut will be at least 30%, analysts said.

Both BHP Billiton and Rio Tinto said they wouldn't comment publicly until negotiations are complete. "BHP Billiton does not comment on customer negotiations," said a company spokesman.

But Sam Walsh, who heads Rio Tinto's iron-ore division, has said he thinks 50% is too steep a drop. He would not disclose what price he thought negotiations would eventually produce.

Iron producers such as Rio Tinto, BHP Billiton and Brazil's Cia. Vale do Rio Doce were hoping that various stimulus proposals around the world would spur construction and demand from steel makers, which need iron ore to produce steel for automobiles, machinery and construction.

But that hasn't happened. This week, Rio Tinto said its iron-ore production fell 15% from a year earlier in the 2009 first quarter. BHP and Vale are also expected to show a decline in iron-ore production. World steel demand isn't likely to improve before the summer at the earliest. That means iron-ore producers have little leverage with steel makers in the 2009 contract talks because those contract prices are locked in from April to April.

BHP Billiton wants to eliminate the current 12-month system and would like prices to be set by the spot market or some other index. Current spot prices are hovering around \$50 a metric ton, up from the low of \$36 late last year but still off their highs of \$120. Vale and Rio Tinto have favored contract pricing because it offers more stability.

Some smaller steel makers and iron-ore producers have already worked out side deals independent of the major negotiations between the big miners and the big steel makers. Cotton & Western Mining Inc., a small iron-ore producer based in Houston, Texas, announced that it has settled on a sales price of about \$45 a metric ton for its customers in China for 2009.

Some analysts have predicted that China, a major importer of iron ore and essentially the arbiter of iron-ore prices, will need nearly 100 million metric tons less iron ore in 2009 than it needed in 2008. Nearly 80% of iron ore produced around the world is sold to China's steel mills.

Zou Jian, a consultant for China Metallurgical Mines Association, said iron-ore consumption would reach 350 million metric tons, down from 443 million metric tons in 2008. Part of the reason for the drop, he said, is because China is developing more domestic iron ore.

"The price gap is quite wide as miners are demanding a 20% reduction, but we believe it has to go down by at least 50% from the 2008-09 level," said Kwon Young-tae, Posco's vice president of raw-material procurement, in a press release.

Source: Metalsplace, <http://metalsplace.com>, April 16 2009

8) ArcelorMittal to halve new India plant capacity

An investment committee will meet this week in Luxembourg to discuss building a 3 million metric ton factory in eastern India for 75bn.

ArcelorMittal may halve the size of a planned steel plant in India and defer a second facility on account of recession, according to reports.

Reports also stated that, an investment committee would meet this week in Luxembourg to discuss building a 3mn metric ton factory in eastern India for 75bn.

The company, which had planned two plants with a starting capacity of 6mn tons each, will defer the plan by at least two years to 2014 and may cut their sizes.

Source: Metalsplace, <http://metalsplace.com>, April 20 2009

9) SGL Group Commissions New Carbon and Graphite Plant in Malaysia

SGL Group (Wiesbaden, Germany) has announced the commissioning of its integrated carbon and graphite plant in Banting, Malaysia. Operations will begin in modular form with the graphitisation of semi-finished graphite electrodes and machining. By 2011, the site will be developed into a fully integrated carbon and graphite hub producing graphite electrodes and cathodes with an annual capacity of 60,000 tons. Total capital expenditure will amount to more than €200 million between now and 2011.

Armin Bruch, Member of the Board of Management, said: "The new carbon and graphite hub will support our traditionally strong presence and market share in Southeast Asia out of local production hence replacing hitherto imported product from Europe/North America. Therefore, Banting will become a core site within our global production network.

"As the market leader in the ASEAN region, we will continue to grow with our customers in the steel and aluminium industry and supply them locally from now on."

By 2011, production will fully integrate all stages of graphite electrode and cathode manufacturing – from extrusion to graphitisation to machining. The initial electrode investment, which has been under construction since November 2006, has been complemented by the cathode construction since the beginning of 2008. Combining both fully integrated operations will enable the company to take advantage of flexibility in production ('swing capability') in order to supply the electric steel as well as the aluminium market.

"Malaysia is an ideal starting point for businesses in Asia not only logistically but also because of its skilled workforce, modern infrastructure and social-political stability," added KH Lim, Managing Director SGL Carbon Asia-Pacific Sdn Bhd.

The company said that based on its own expertise and best practices, this fully integrated carbon and graphite plant would be the world's most cost efficient with state-of-the-art technology. Furthermore, this is the first new construction project of this magnitude for this industry in 25 years.

Source: Ceramic News, www.ceramres.co.uk, April 2009

10) World Demand for Refractories to Exceed 45 Million MT in 2012

World demand for refractories is forecast by Freedonia Group in its latest study to rise 3.5% annually through to 2012 to reach 45.2 million metric tons. Market value will rise 4.5% (including price increases), reaching US\$28.5 billion.

In the short term, refractory demand will be negatively impacted by the effects of the global economic downturn that began in the latter half of 2008, with declining manufacturing activity and global trade pushing demand below 2007 levels in most countries. However, recovery is expected by 2012, restoring gains for the refractory industry. Longer term growth will be supported by the increasing use of better performing, more expensive refractories.

China is the dominant consumer of refractories, with over 50% of the world market in 2007. This is due to the nation's strong rise in industrial production. In 2007, the country manufactured 36% of the world's steel, 49% of the world's cement and 44% of world flat glass. In addition, China uses a higher rate of refractories per ton of steel than developed nations, due to its less efficient manufacturing processes. Over 80% of new demand in 2012 will be attributable to China.

Due primarily to China, Asia will continue to be the fastest growing region in the world through to 2012. While China will account for much of the region's gains, India will exhibit advances above the world average as well. Eastern Europe will have solid growth prospects due to its rising steel production. Multinational manufacturers have shifted production of steel-consuming goods such as household appliances and motor vehicles to Eastern Europe, creating demand for steel. Opportunities will also exist in Latin America and the Africa/Middle East region, according to Freedonia.

Iron and steel production is by far the largest market for refractories. Advances in this market have benefitted from increased iron and steel production in recent years compared to the late 1990s. However, the rate of refractory usage per ton of steel has continued to decline, holding back gains. This trend is expected to continue, adversely affecting the outlook for refractory suppliers.

World Refractories (published 03/2009, 350 pages) is available for US\$5,700 from The Freedonia Group Inc, 767 Beta Drive, Cleveland, OH 44143-2326, USA.

Source: Ceramic News, www.ceramres.co.uk, March 2009

11) Capital Refractories Concludes Agreement with Administrators of Penn Refractories

On Friday 20th March an agreement was concluded between Capital Refractories Limited and the administrators of Penn Refractories Limited in which Capital has taken ownership of the physical assets, know-how, formulations, brand names etc. of Penn Refractories.

Penn was founded in 1981 and had built up a £5 million turnover business supplying monolithic and pre-cast refractories to the steel, petrochemical, aluminium and other thermal process industries with a range of well known branded products including Pencrete, Penset, Penvibe, Pencover and Penflow.

Penn's management called in the administrators about two weeks ago when the company ceased production and trading. Capital's intention is to move Penn's production to existing facilities. Dennis Austin has joined Capital to lead the continuation and further sales development of the Penn range of products. Dennis was previously with Penn for many years, responsible for technical sales and product development. Dennis has many years experience of refractory sales into the sectors mentioned above and is extremely highly respected in the industry.

Source: Ceramic News, www.ceramres.co.uk, April 2009

12) China's copper, aluminium imports climb on government stimulus

Copper and aluminium imports by China, the largest consumer, jumped in March as the country's 4 trillion yuan (\$585 billion) stimulus program increased demand, cushioning the economy from the global recession. Inbound shipments of refined copper advanced 10 percent from the previous month to 296,843 metric tons and primary aluminium imports surged seven times to 85,965 tons, customs data showed. Copper imports were a record, Wanxiang Resources Co. analyst Sheng

Weimin said. Zinc, lead and tin purchases gained. China's economy, the world's third-largest, will expand faster than previously forecast this year and next as government spending spurs domestic demand and boosts investment, Goldman Sachs Group Inc. said in a note today. The country's copper, aluminium and zinc prices were above international levels, bolstering imports, Barclays Capital said this month.

Metals imports climbed because of "favorable arbitrage," Sheng said from Shanghai today. Wanxiang is one of China's top copper importers. "We expect this month's copper purchases to be even higher," he said. "The momentum may only cool if scrap imports start to rebound significantly from May." Copper imports are being fueled by a shortage of scrap material and government buying, according to Scotia Capital Inc. China's refined copper purchases may jump to a record 2 million tons this year, Simon Collins, general manager of Trafigura Trading Shanghai Co., said in February.

Aluminium Imports

Refined copper purchases jumped 92 percent to 748,281 tons in the first three months of the year from the year ago period, while scrap imports slumped 48 percent to 731,974 tons, customs data showed. Imports of primary aluminium more than tripled to 115,755 tons in the first three months, the data showed.

"Primary aluminium shipments could surge to 200,000 tons this month," said Eric Zhang, an analyst at CBI China Co., who said in February the imports are going to climb. "The increases are not yet enough to ease tight domestic supplies." The State Reserve Bureau bought 590,000 tons of aluminium and 159,000 tons of zinc from domestic smelters this year for strategic reserves. The bureau has contracted to take 300,000 tons to 400,000 tons of refined copper into its stockpiles from overseas, according to Macquarie Group Ltd. analysts last month.

Source: Metalsplace, <http://metalsplace.com>, April 22 2009

13) Aluminium output down 6% at Rio Tinto

Rio Tinto, the world's third largest miner, has blamed a 6% drop in first quarter aluminium output on production cutbacks in response to a sharp fall in demand. Heavy rains and falling demand also caused a 15% slump in iron ore production versus the same time last year, although output was the same as the previous three-month period.

Rio kept global iron ore guidance for 2009 at around 200 million tonnes, with a recovery in Chinese steel demand expected in the second half of 2009. Elsewhere, alumina production fell 2%, but refined copper output jumped 33% thanks to improved performance and higher concentrate grades at Kennecott Utah Copper and higher throughput at Escondida. The company faces shareholders in London later today, angry at Rio's controversial fundraising plans that could see their stakes diluted. It hopes to complete a deal worth over J13bn involving the sale of shares and assets to state-owned Chinese miner Chinalco, Rio's biggest shareholder. Rio's balance sheet is in desperate need of repair following the expensive purchase of Canadian aluminium producer Alcan two years ago.

"First quarter production was in line with reduced market demand," said chief executive Tom Albanese. "We have acted swiftly where necessary to reduce costs and conserve cash." "We remain committed to delivering the Chinalco transaction and our focus is on successfully navigating the regulatory processes before putting it to a shareholder vote."

Source: Metalsplace, <http://metalsplace.com>, April 15 2009

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Full Page Black & White/Color Advertisement (180mm by 240mm)	US\$450 per insert
Half Page News Announcement / Press Release of your organization (text format only)	US\$150 per insert
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SALE OF CONFERENCE PROCEEDINGS

The Hard Copy Proceedings of the *Tehran International Conference on Refractories (held in Tehran, Iran from May 4-6 2004)* are now available at a special price of **US\$120** (usual price US\$200). The proceedings from the conference proved to be a valuable collection of papers in different fields of refractory production and applications.

If you are keen on the above mentioned conference proceedings, you may email us at info@worldrefractories.com for any further clarifications or information.

The *World Refractory Congress 2004 Conference CD-ROM Proceedings* contains all the full papers presented at the Congress (held in Singapore from June 27 to 29 2004), and is now affordably priced at **US\$40 each** (inclusive of freight charges).

The delegate kits are also available for sale at **US\$80 each** (inclusive of freight charges). It consists of the conference bag or carrier, with various brochures and full conference papers in it.

If you have any further inquiries, or are keen to purchase the CD-ROM proceedings or delegate kit, you may email Worldrefractories Pte Ltd at info@worldrefractories.com for more information.

USEFUL CALENDAR OF EVENTS

AISTech 2009 – The Iron & Steel Technology Conference and Exposition

Date: May 04 – 07 2009

Venue: America's Center in St. Louis, Mo. USA

Contact: Shannon Kiley, Event Planner

Phone: +17247766040 ext. 635

Email : skiley@aist.org

Website: <http://www.aist.org/aistech/>

Asia Steel 2009 International Conference

Date: May 24 – 27 2009

Venue : Paradise Hotel, Busan, Korea

Phone : 82-54-279-4424

Fax: 82-54-279-4499

Email: smjung@postech.ac.kr

Website: [/www.asiasteel2009.org/](http://www.asiasteel2009.org/)

8th Pacific Rim Conference on Ceramics and Glass Technology

Date: May 31 – June 05 2009

Venue: Hyatt Regency Vancouver - Vancouver, British Columbia, Canada

Contact: PAC RIM 8 Program Chair: Dr. Mrityunjay Singh, Ohio Aerospace Institute, NASA-Glenn Research Center

Phone: 216-433-8883

Email : msingh@grc.nasa.gov

Website: <http://www.ceramics.org/meetings/pacrim8/index.aspx>

The 10th China Guangzhou International Metal & metallurgy Exhibition

Date: June 23 – 26 2009

Venue: China Import and Export Fair Pazhou Complex

Contact: Ms Vivian

Tel: +86 20 38621265

Fax: +86 20 38620781

Email: yesvivian@126.com

52nd International Colloquium on Refractories 2009

Date: September 23 – 24 2009

Venue: Eurogress, Aachen, Germany

Contact: Mrs.Susanne Hartoch, An der Elisabethkirche 27, 53113 Bonn, Germany

Phone: +49 (0) 2289150845

Fax: +49 (0) 228 9150855

Email : info@feuerfest-kolloquium.de

Website: <http://www.feuerfest-kolloquium.de/startseite-e.html>