

# ASI Quarterly Update

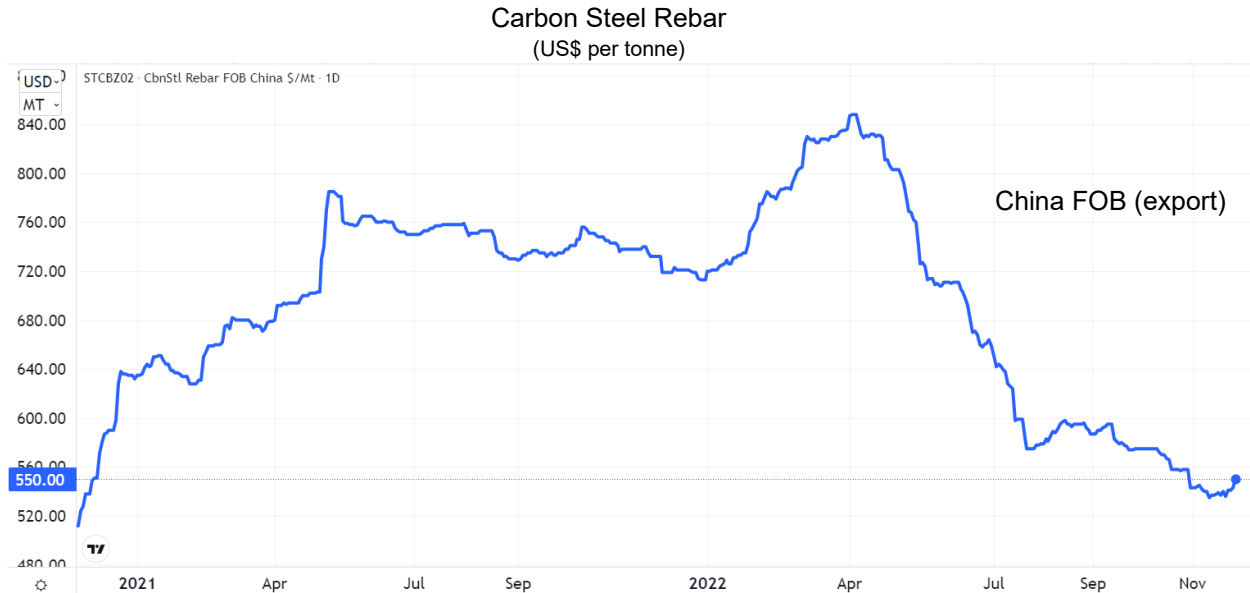
## Summer 2022

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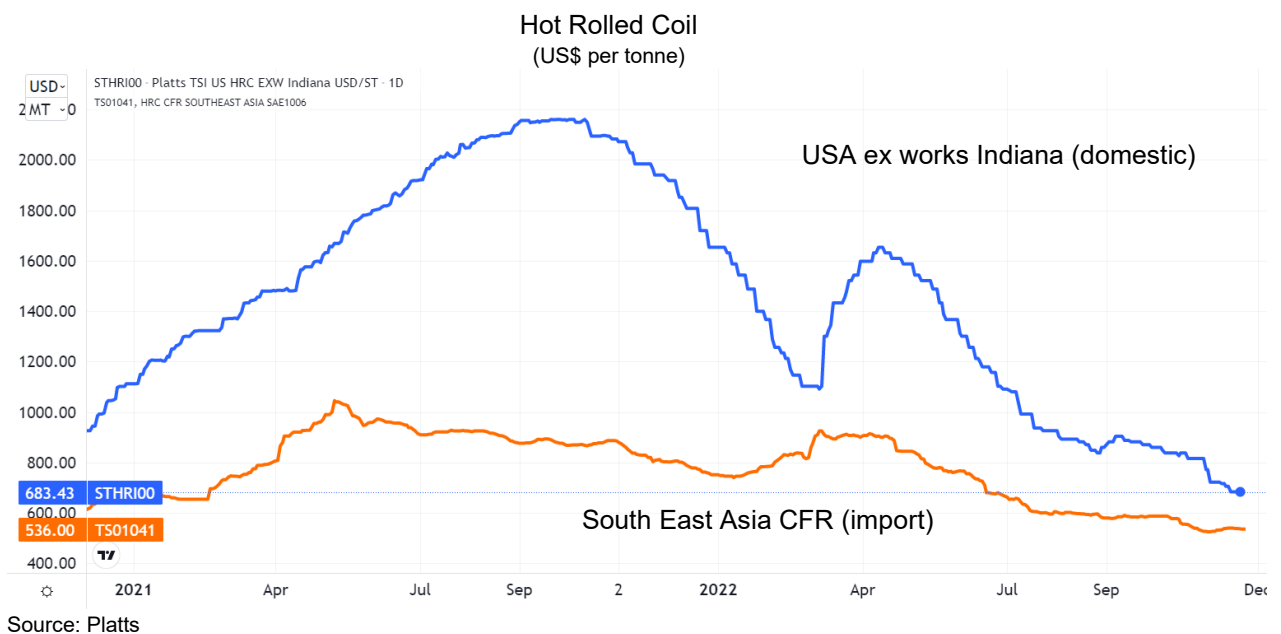
## International steel price, cost and profitability trends

- Reinforcing bar price



This series demonstrates a significant drop in price from the April 2022 peak.

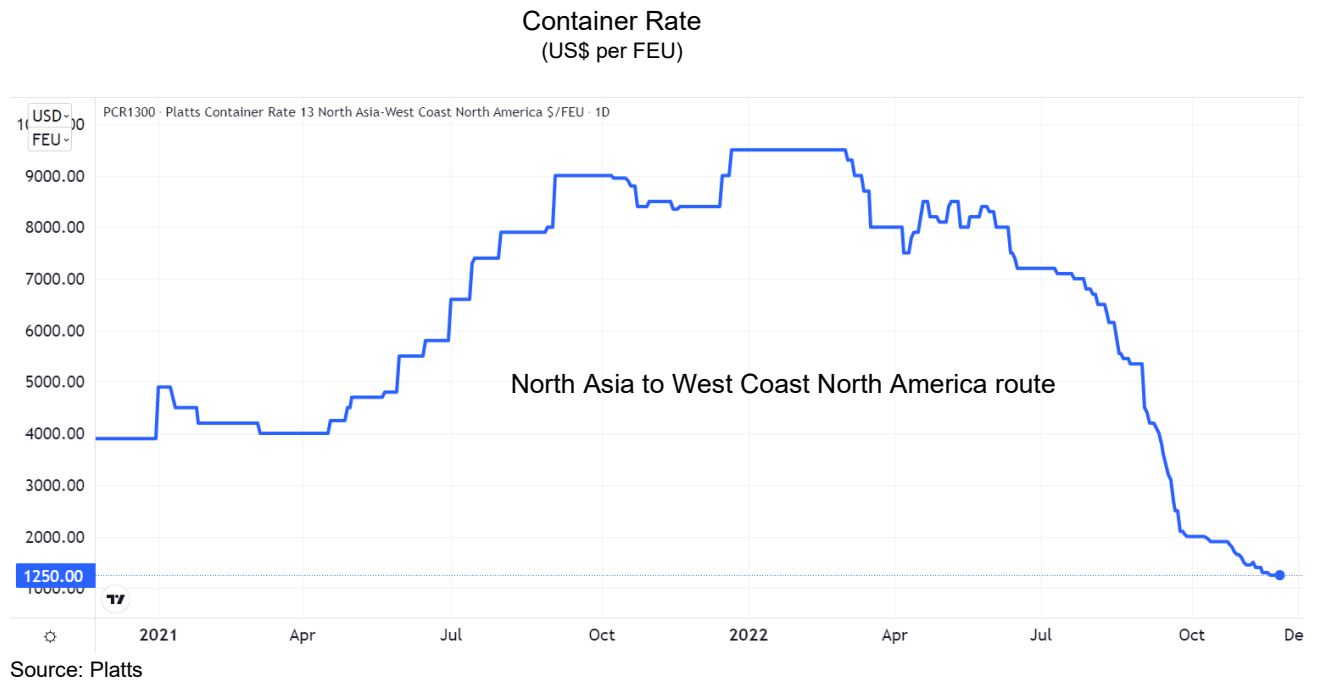
- Flat steel prices



Both series demonstrate a major reduction from the 2021 and early 2022 highs.

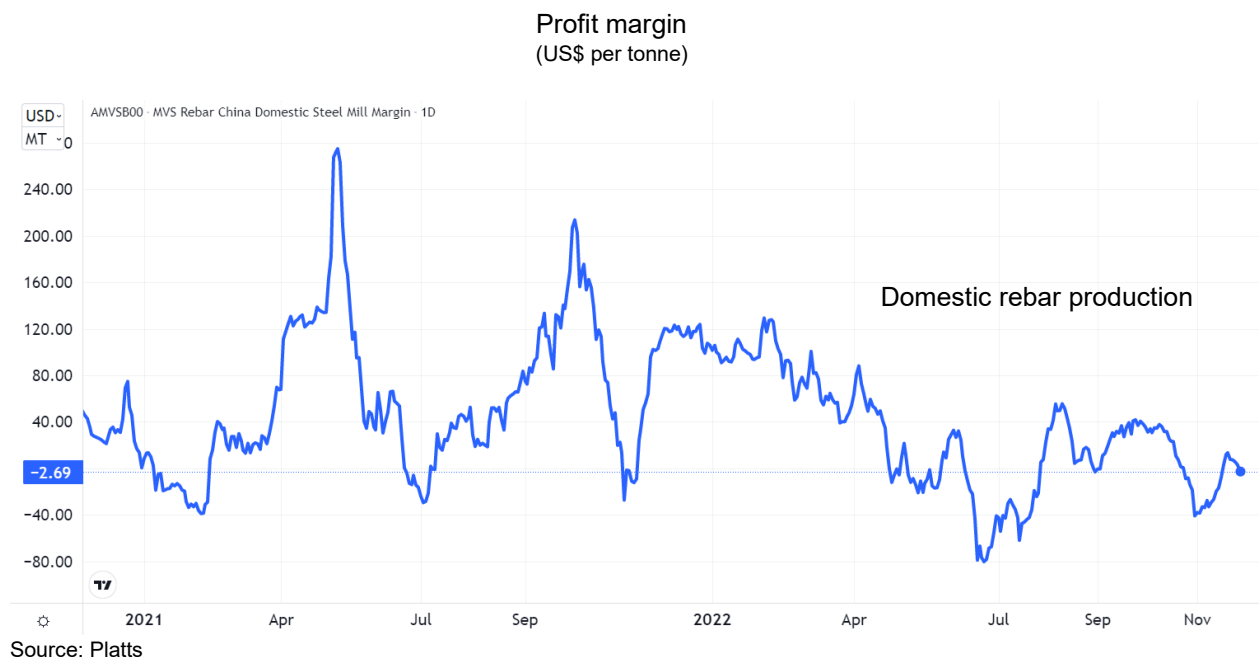
Benchmark price assessments provided by [S&P Global Commodity Insights](#) 'Platts'

- **International freight cost**



This series demonstrates a significant drop in container freight cost from the early 2022 peak, and a return to rates comparable to the pre-pandemic period.

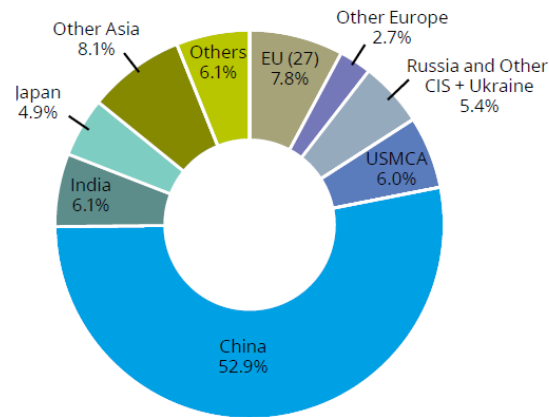
- **China steel mill margin**



This series demonstrates that China rebar mills continue to operate on very thin profit margins, alternating with ongoing periods of negative profit margin.

## Focus on China market factors

- Global crude steel production in 2021 was 1,951 million tonnes



Others comprise:

Africa	1.0%	Central and South America	2.4%
Middle East	2.3%	Australia and New Zealand	0.3%

China contributed nearly 53% of global production, contrasting with 0.3% for Australia and New Zealand combined. Chinese central government policy settings continue to be important to watch for potential flow-on supply / demand impacts on other markets.



The China property market, which is a significant consumer of steel products, continues to experience negative investment and sales growth.

## ASI Initiatives

- **South Australia Steel Skills Strategy**

As part of a multi-faceted strategy for building the skills pipeline in South Australia, the ASI is working closely with local members to define the needs of the steel industry. Additional participants include secondary schools with a focus on vocational training, and technical colleges that are active in delivering training for trades such as fabrication and engineering. The state government is also very supportive and committed to aligning funded places with industry defined requirements for curriculum and the number of apprentice positions.

An initial focus area for the strategy is to raise the awareness with school students, of the career opportunities available in the wider steel industry. This has seen the ASI partner with SA members at a recent career expo, with more planned. The development of targeted marketing resources is being planned, that will help to reach teachers, students and parents with appealing career opportunity information.

If you would like to know more about this strategy, please contact Michael Dawson [michaeld@steel.org.au](mailto:michaeld@steel.org.au) or Sulfianda Soeleiman [sulfiandas@steel.org.au](mailto:sulfiandas@steel.org.au) .

- **Introducing Steel Sustainability Australia**

The ASI is working to transition the longstanding Environmental Sustainability Charter (ESC) scheme to a new program, [Steel Sustainability Australia](#) (SSA) that assesses environmental and social impact across the steel value chain in the manufacturing, fabrication and processing of steel. The new program has been approved by the Green Building Council of Australia (GBCA) to align with their new Green Star Buildings rating tool, allowing SSA certified steel suppliers to contribute up to 5 Green Star points towards the structure on a project. The SSA program considers a more wholistic view of sustainability including aspects such as Modern Slavery, ethical work practices, health and safety in manufacturing, and carbon emissions and waste management, whilst retaining all the current environmental sustainability elements. The ESC will be rebranded as [Steel Sustainability Australia](#) (SSA) over coming months, and will be ready to certify to in early 2023.

A key element of the new SSA program is the recognition of the importance of sourcing steel from producers with a commitment to decarbonising their manufacturing process. After extensive consultation with the GBCA, in-principle agreement has been reached for defining steel supply requirements.

To review the benefits of SSA accreditation, or to find out more information, visit the SSA website: [www.steelsustainability.com.au](http://www.steelsustainability.com.au). If you register to 'Keep Informed' you will be notified when the final SSA program including technical compliance

requirements will be available. ASI and ESC members will be invited to a webinar series on the ESC to SSA transition in early 2023.

If you have any further questions on ESC or SSA, please contact our Sustainability Manager, Jerusha Beresford on [ssa@steel.org.au](mailto:ssa@steel.org.au).

- **Ban on Export of Unprocessed Scrap Steel – project update**

The ASI, in partnership with the National Waste and Recycling Industry Council (NWRIC), along with representatives from the local scrap recycling industry and steel producers met with the Commonwealth House Standing Committee on Climate Change, Energy, Environment and Water, in Canberra on 23<sup>rd</sup> November. The purpose of the meeting was to put the case directly to legislators, for banning the export of unprocessed steel scrap.

Overall, the sentiment from members of the Standing Committee was very positive to the proposal, and their questions illustrated the risks and impacts of this activity. In addition to this expression of support, the interaction provided an opportunity to present an overview of the key issues for the steel industry along with industry plans to decarbonise. With the potential for this ban to facilitate an annual reduction in greenhouse gas emissions equivalent to 1.2 million tonnes CO<sub>2</sub>, the benefits are very significant.

- **[ASI 2022 Steel Excellence Award winners](#)**

The new state-of-the-art Allianz Stadium in Sydney has been named Australia's most innovative steel design for large projects at the biennial Australian Steel Institute Steel Excellence Awards.

A gala event at Doltone House in Sydney saw 26 state and territory winners (from an initial field of 85) vie for national honours in six categories:

- Buildings (Large Projects) – Allianz Stadium
- Buildings (Small Projects) - Memorial Drive Tennis Centre's sunken show court roof
- Innovative Cold Form Steel Building - Gratton Street façade
- Steel Clad Structures - CSIRO Clean Lab
- Engineering Projects - Sky Bridge project at 308 Exhibition St
- Young Designer/Detailer/Tradesperson - Shannon Kieran

In his address to the November 22 awards dinner, ASI chief executive Mark Cain said the awards recognise innovative collaboration by architects, structural engineers, building contractors, steel fabricators and steel detailers using steel as the primary building product.

- **[Renewable Energy Generation – steel demand requirements](#)**

Renewable energy is opening important new doors for steel, Day 1 of the Australian Steel Institute (ASI) annual convention heard. In a keynote address, ASI chief executive officer Mark Cain said a two-pronged public policy approach was needed in Australia to meet a forecast tripling in global demand for steel used in renewable energy generation and transmission by 2050 as the world transitions to clean energy and net zero emissions. Cain called on state and federal governments to set local content targets for steel and provide industry development support to ensure Australia didn't miss out on the economic benefits.

- **Western Australia local content and participation initiatives**

The Western Australia government is championing a number of initiatives designed to increase local content and participation in the supply of key infrastructure.

The [WA Iron Ore, Grain and other minerals wagons study](#) is examining local manufacturing of these railway wagons. The Department of Jobs, Tourism, Science, and Innovation has assessed 21 potential candidate companies for involvement in the supply of wagons, and selected 6 to progress to the funding stage. The ASI is providing assistance with the study, including provision of member capability information.

The [WA Government's Wind Turbine Manufacturing Initiative](#) is progressing steadily, with an independent full feasibility study conducted by Aurecon into manufacturing wind turbine components locally, nearing completion. Local ASI members are involved in contributing to the feasibility study, including a capability presentation to the Deputy Premier.

## Project Opportunities

The following links provide reports and listings of major projects in the planning or execution stage.

### Infrastructure

#### Australia

- [Infrastructure Australia – Infrastructure Priority List](#)
- [National Grants and Programs Major Project Status](#)
- [Industry Capability Network \(ICN\) Gateway](#)

#### Australian Capital Territory

- [Major Projects Canberra – Projects Pipeline](#)

#### New South Wales

- [Infrastructure NSW – Major Projects Infrastructure Pipeline](#)
- [Transport for NSW - Infrastructure Pipeline](#)

#### Queensland

- [Queensland Major Projects Pipeline Report](#)
- [Queensland Government major projects assessments and approvals](#)
- [Queensland Department of Transport and Mains Roads Projects](#)
- [Construction Skills Queensland Project Search](#)

#### Northern Territory

- [Northern Territory Major Projects](#)

#### Western Australia

- [WA Project Procurement Pipeline.](#)
- [WA Transport Projects](#)

### Mining and Resources

- [Commonwealth Department of Industry, Science, Energy & Resources - Resources and Energy Major Projects 2021](#)
- [Australian Mining \(commercial publication\) news on current mining projects](#)
- [Map of resource projects in Western Australia](#)



## Manufacturing Industry Grant Funding Schemes

### Australian Government

The new Commonwealth government has revised the available funding schemes, with the following links providing details on what is now available. The Australian Government has committed \$15 billion to establish the National Reconstruction Fund (NRF).

- [AusIndustry Portal Grants and Programs Finder](#)
- [National Reconstruction Fund: diversifying and transforming Australia's industry and economy](#)

### New South Wales

- [Grants and funding](#)
- [Reducing Emissions for NSW](#)

### Northern Territory

- [Business grants and funding](#)

### Queensland

- [Business Queensland Grants](#)
- [Queensland Manufacturing Hubs Grants Program](#)

### Victoria

- [Business Victoria Grants & Programs](#)

### Western Australia

- [Grants Assistance and Programs Register](#)

## 2022/23 Planner

- **December 2022**
  - Wednesday 21<sup>st</sup> - ASI Head office closed from 5:00pm for end of year break
- **January 2023**
  - Wednesday 4<sup>th</sup> – ASI Head office re-opens at 8:30am for 2023
- **February/March 2023**
  - Webcast seminar - Design of Roller Doors and Supporting Structures
- **March 2023**
  - ASI Economic Briefing (details TBC)
  - Webcast seminar – Introducing Steel Sustainability Australia (SSA)
- **March/April 2023**
  - Webcast seminar - Design of Cold-Formed Steel Structures

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### About the Australian Steel Institute (ASI)

The ASI is the nations peak body representing the entire steel supply chain, from the primary producers through to end users in building and construction, resources, heavy engineering and manufacturing. The ASI membership base includes approximately 6,000 individuals that are associated with more than 500 corporate memberships and over 350 individual memberships.

A not-for-profit organisation, the activities of the ASI extend to, and promote, advocacy and support, steel excellence, standards and compliance, training, events and publications. The ASI provides marketing and technical leadership to promote Australian-made steel as the preferred material to the resources, construction, and manufacturing industries, as well as policy advocacy to government.

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