

ASI Quarterly Update

Autumn 2023

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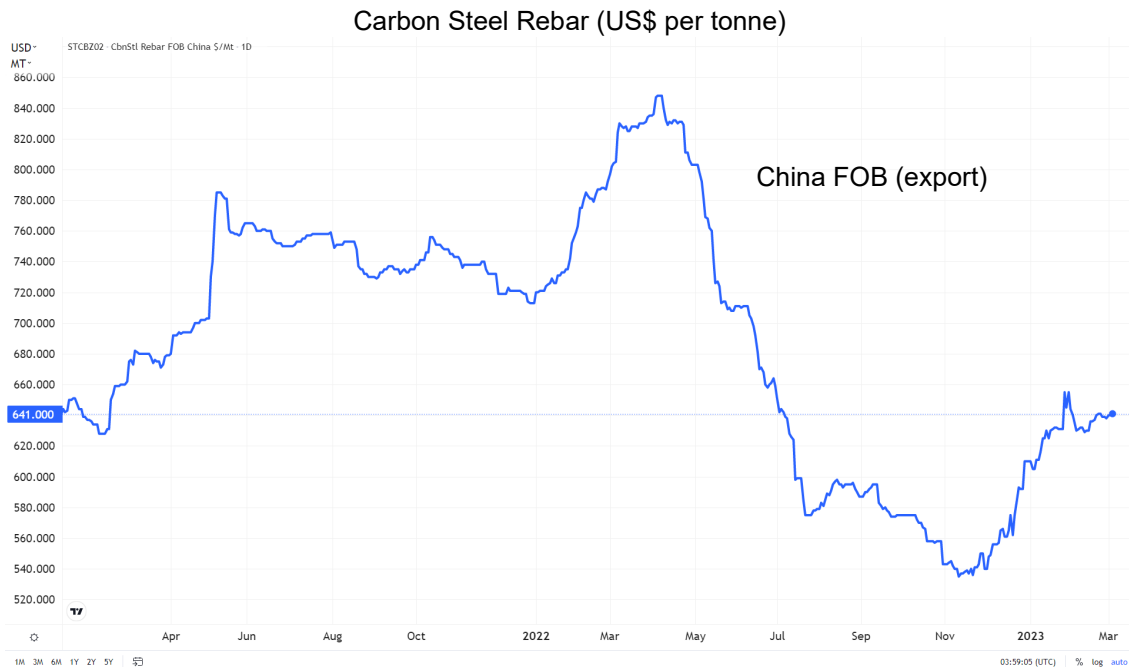
Benchmark price assessments provided by [S&P Global Commodity Insights](#) 'Platts'



S&P Global
Commodity Insights

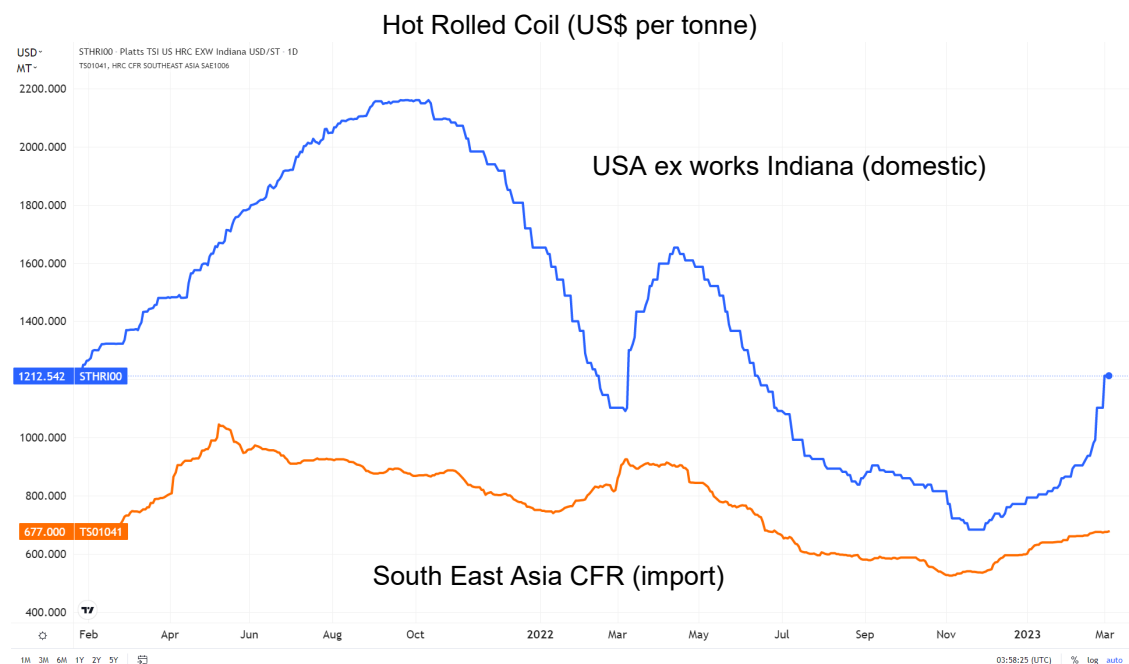
International steel price, cost and profitability trends

- **Reinforcing bar price**



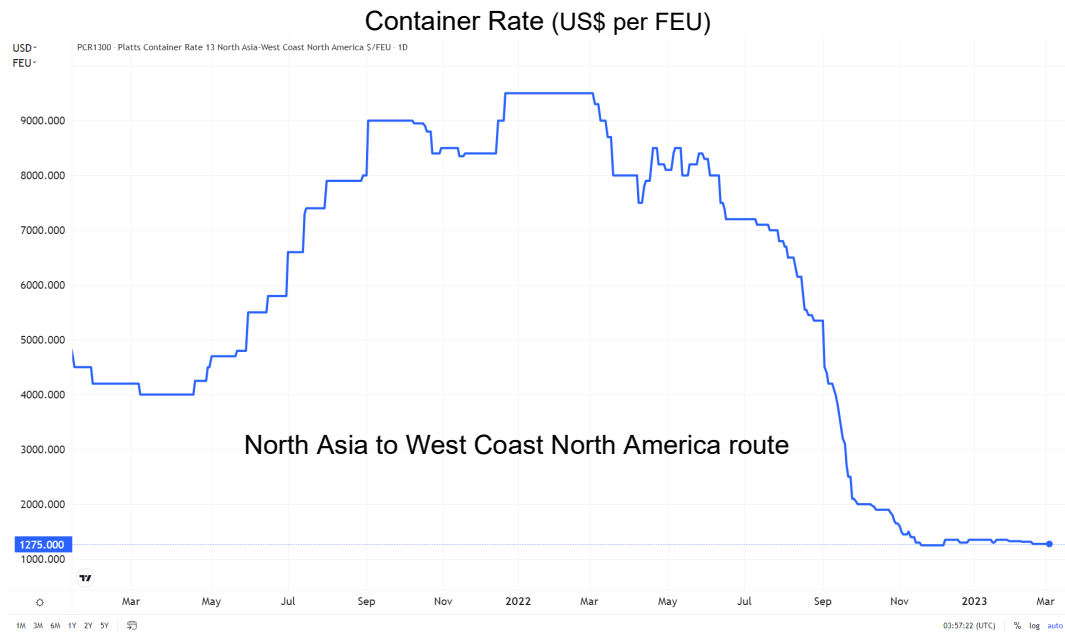
This series demonstrates a US\$100/tonne price increase since November 2022.

- **Flat steel prices**



After substantial falls, both series demonstrate a price recovery in the last quarter.

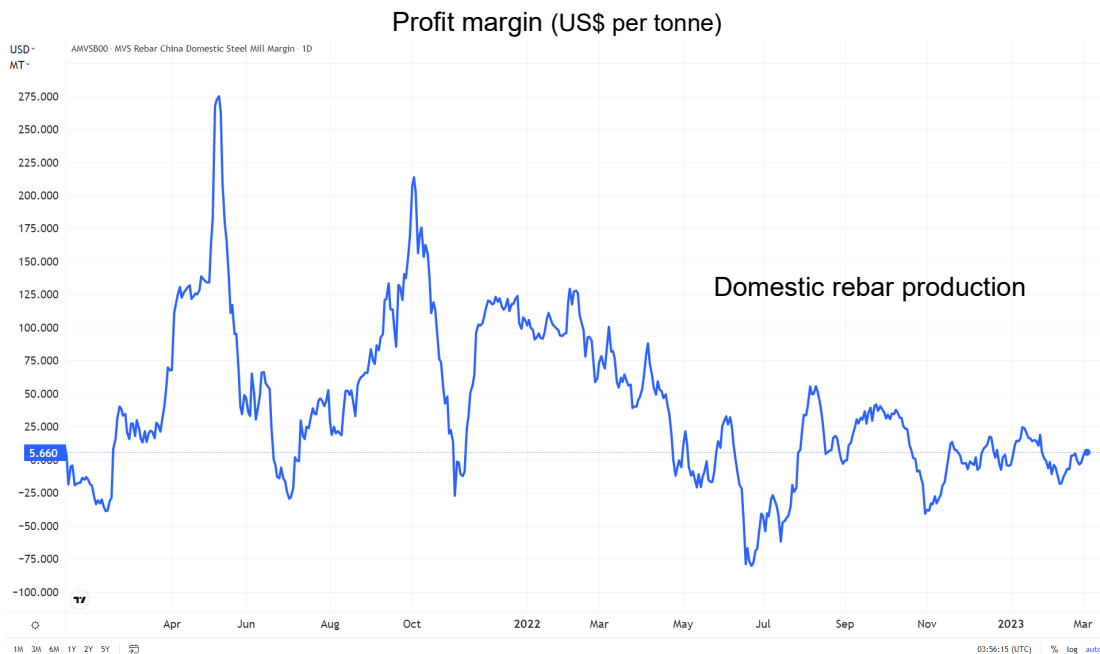
- **International freight cost**



Source: Platts

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

- **China steel mill margin**

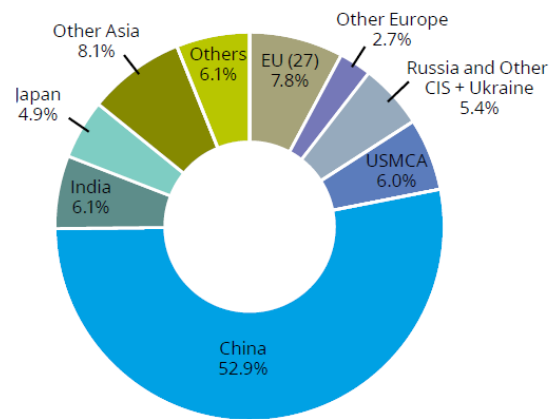


Source: Platts

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

Focus on China market factors

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



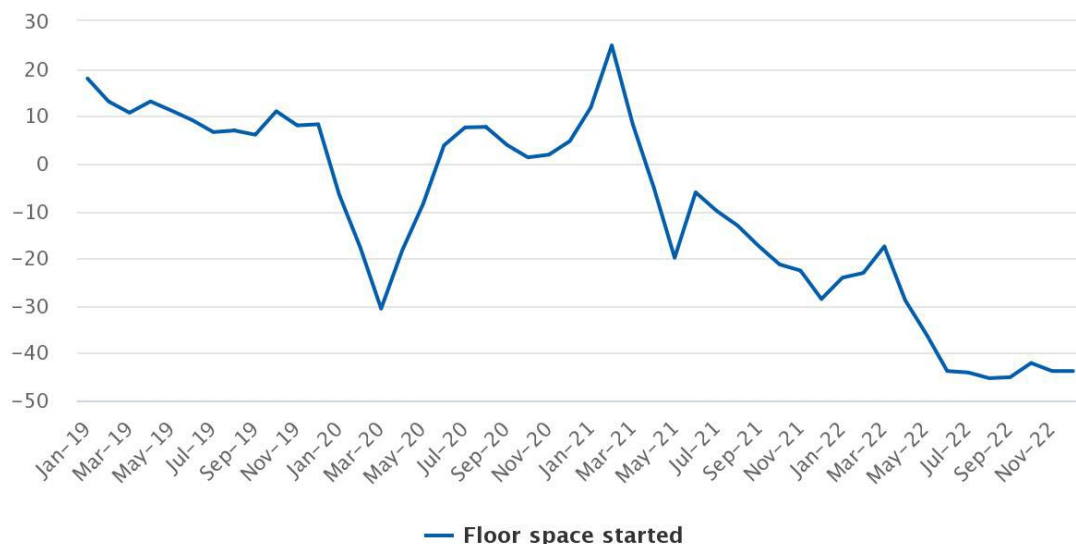
Others comprise:

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 impacts on other markets.

Residential floor space started (3 month moving average, %, y-o-y)

Source: National Bureau of Statistics of China



constructsteel.org

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 – multiple initiatives**

The South Australian government has committed \$208.8 million over 4 years to establish 5 technical colleges to equipping school students with workplace skills an alternative senior secondary option. Connected to careers and industry; brand new buildings with the latest equipment; for students in years 10 to year 12; delivered through quality RTO training; designed for every student to succeed; and run in conjunction with nearby secondary schools to complete their SACE and VET qualifications. Findon Technical College is the first currently planned for construction with enrolments anticipated in 2024 including pathways in Engineering / Advanced Manufacturing; and seeking partnership with ASI SA members to ensure that the College is connected and in line with the needs of the steel industry.

Another strategic initiative is to continue to raise the awareness with school students, of the career opportunities available in the wider steel industry. The ASI partner with a small group of SA steel fabricator members and supported by SA Dept for Education in the development of targeted marketing resources; and participating in upcoming Adelaide Career Expos that will lead to attract a pool of young people to pursue steel industry careers. The ASI calls upon additional SA members to support these strategic initiatives to ensure that we can meet the shortfall in skilled workers.

If you would like to know more about this strategy, please contact Sulfianda Soeleiman sulfiandas@steel.org.au.

- **Introducing Steel Sustainability Australia**

In January, the ASI released a new sustainability certification program for the steel industry, [Steel Sustainability Australia](#) (SSA) which is open for online applications. Superseding the ASI Environmental Sustainability Charter (ESC), the SSA certification program assesses environmental and social impact across the steel value chain in the manufacturing, fabrication and processing of steel. The independently audited program certifies downstream steel businesses such as fabricators, roll formers, and reinforcing processors, and verifies upstream steel producers against best practice environmental, social and governance (ESG) indicators.

The SSA program was developed by consultants thinkstep-anz in consultation with the steel industry and the Green Building Council of Australia (GBCA) and is a recognised initiative under the GBCA [Responsible Products Framework](#), gaining 'Good or Best practice' product recognition in the [Green Star Buildings rating](#) tool.

A tiered certification model allows steel businesses to progress their sustainability journey across best practice operations in environmental management, health and safety in manufacturing, carbon emissions and waste reduction and responsible and ethical sourcing practices.

To review the benefits of SSA accreditation, or to find out more information, visit the SSA website: www.steelsustainability.com.au.

If you have questions on SSA, please contact our Sustainability Manager, Jerusha Beresford on ssa@steel.org.au.

- **Victoria Government's Steel Industry Supply Chain Directory**

The ASI is working closely with the Victorian Government – Department of Jobs, Skills, Industry and Regions (DJSIR), which is in the process of updating the Victorian Government's Steel Industry Supply Chain Directory.

This steel supply chain directory:

- showcases the capabilities of Victoria's globally competitive steel industry.
- lists businesses that have a significant presence in Victoria and manufacture their goods locally.
- aims to facilitate the increased use of Victorian made steel products to help to grow the state's already strong steel manufacturing capability and capacity and further stimulate Victoria's economy.

The ASI has invited members in Victoria across the steel supply chain to be included or updated in the revised Victorian Government's Steel Industry Supply Chain Directory which is planned to be published by April/May 2023.

If you would like to know more about this initiative, please contact Sulfianda Soeleiman sulfiandas@steel.org.au.

- **NSW Steel Industry Tours - [Illawarra Site Visits](#)**

The ASI, in partnership with Inside Industry, has commenced offering a full day program of site visits covering the steel industry value chain in the Illawarra region. This provides an end-to-end experience of the complete manufacturing process from raw materials through to fabricated precision engineering products.

This initiative has proven to be popular, with the initial tour being booked out within days of opening. Additional dates for the Illawarra Site Visits program are being arranged, with other tours based in Sydney and Newcastle in the planning stage. For more information, please contact David Varcoe davidv@steel.org.au.

- **ASI calls on government to increase skilled migration numbers**

The ASI is exploring ways to boost skilled migration post COVID-19. ASI through the Australian Chamber of Commerce and Industry has called on the Federal Government to increase permanent skilled migration numbers. The size and composition of the migration program will be handed down in the May Federal Budget.

ASI WA state manager James England said the steel industry needs special consideration from governments, with many steel jobs falling outside the Australian and New Zealand Standard Classification of Occupations. “Detailers are the classic example but galvanisers and riggers/erectors also get lumped in with non-steel related firms that are either competing with us or do different work,” England said. “I’m hoping my talks with Business Industry Regional Outreach (BIRO) and work by other ASI state managers and ACCI will deliver some much-needed solutions to clarify job roles and fill job gaps.”

For more information, please contact James England at jamese@steel.org.au.

- **Release of the [ASI White Paper 2023](#)**

The newly released White paper is subtitled, ‘A plan for building a sovereign and sustainable Australian steel industry and supporting net zero Australia’.

The purpose of the White Paper is document the position of the ASI on a range of government policy areas that are of importance to members. These policy areas include:

- Industry Policy
- Procurement
- Trade Measure and International Treaties
- Quality and Safety

The ASI believes the recommendations made in this White Paper should be adopted by federal, state and territory governments to ensure the continued development of a sustainable Australian steel industry in the 2020s and beyond.

For more information, please contact David Varcoe davidv@steel.org.au.

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

Australian Capital Territory

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

New South Wales

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

Northern Territory

- [Northern Territory Major Projects](#)

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](#)

South Australia

- [Infrastructure SA](#)
- [SA Department for Infrastructure and Transport](#)

Victoria

- [ICN Victoria Projects List 2023](#)

Western Australia

- [WA Project Procurement Pipeline.](#)
- [WA Transport 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](#)
- [Made in Victoria – Manufacturing Growth Program | Business Victoria](#)

Western Australia

- [Grants Assistance and Programs Register](#)

2023 Planner

- **February/March 2023**

- Webcast seminar - [Design of Roller Doors and Supporting Structures](#)
Available to view until 15th March

- **March 2023**

- Breakfast networking meeting - [ASI Economic Briefing](#)
- Webcast seminar held 23rd February – *Developing the Steel Sustainability Australia (SSA) certification Program* – recording to be made available soon

- **May/June 2023**

- Webcast seminar - [New Developments in Cold-Formed Steel Design to AS/NZS 4600:2018](#)

The seminar will be presented by three experts in the field from the University of Sydney; Emeritus Professor Gregory Hancock, Associate Professor Cao Hung Pham, and Duy Khanh Pham.

- **May 2023**

- Face to face presentations - *Paint Coatings for Steelwork* (with Akzo Nobel)

The evening presentations which will be followed by networking and refreshments and are to be held in Brisbane, Sydney, Melbourne, Adelaide and Perth during May. Further details will be released shortly.

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.

<https://www.steel.org.au/>

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