

ASI Quarterly Update

Summer 2023/2024

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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 - Carbon Steel Rebar (US\$ per tonne), China FOB (export)**



Source: Platts

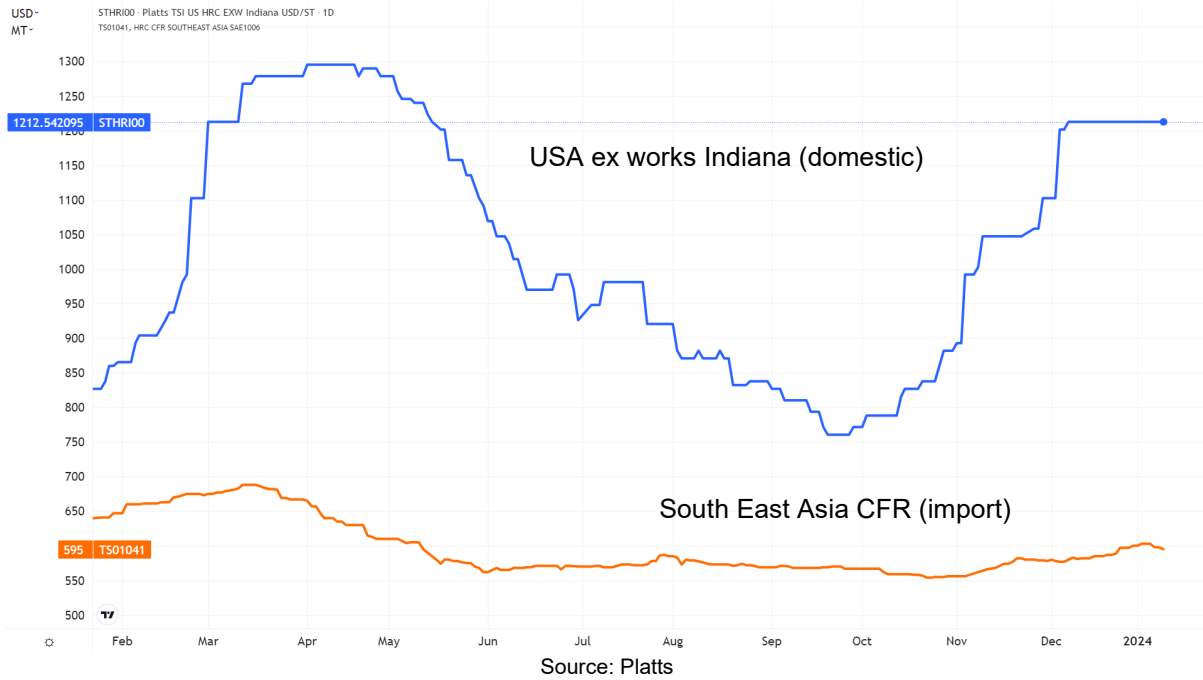
One year price history.



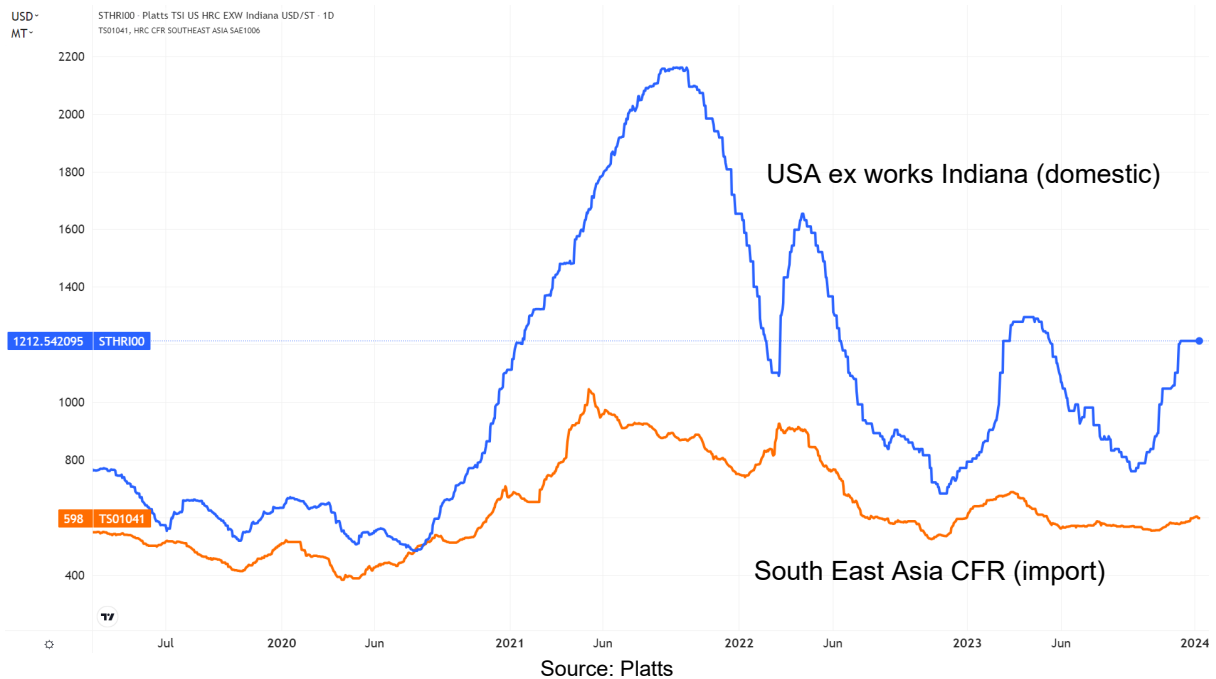
Source: Platts

Five-year price history.

- Flat steel prices - Hot Rolled Coil (US\$ per tonne)

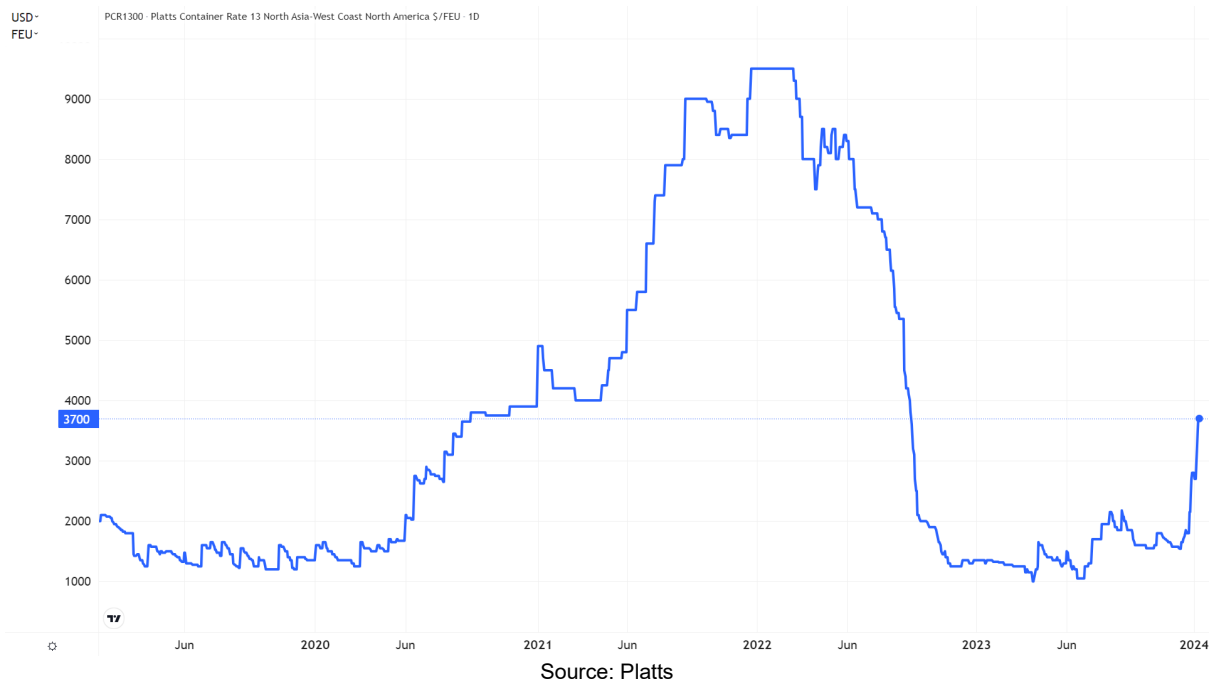


One year price history.



Five-year price history.

- **International freight cost – Container Rate (US\$ per FEU) for North Asia to West Coast North America route**



Five-year rate history.

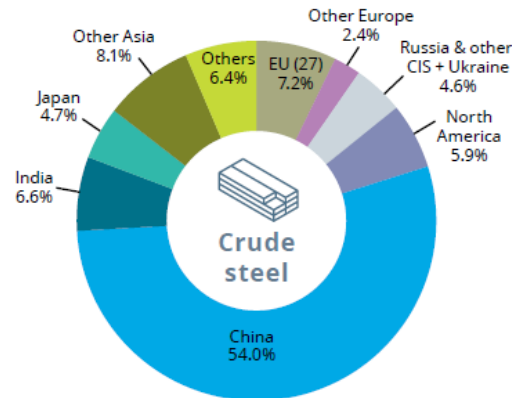
- **China steel mill margin - Profit margin (US\$ per tonne) for domestic rebar production**



One year margin history.

Focus on China market factors

- Global crude steel production in 2022 was 1,885 million tonnes



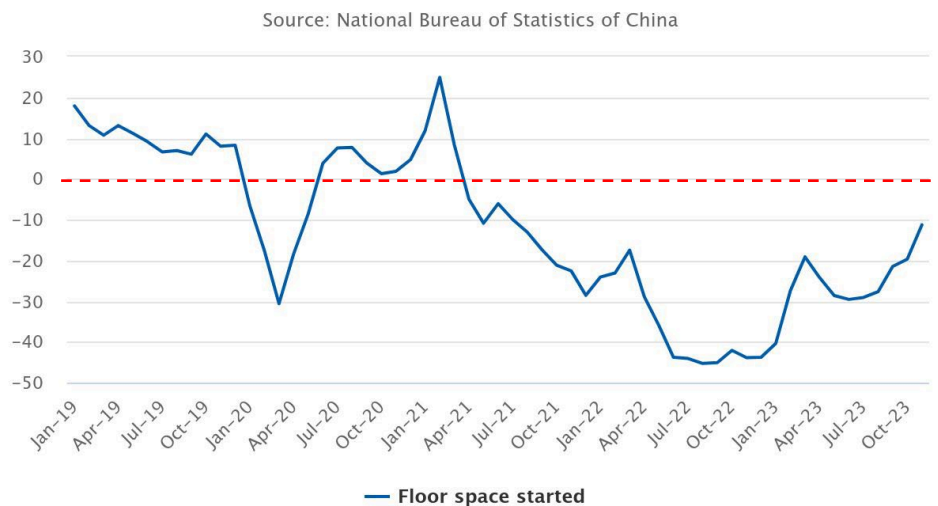
Others comprise:

Africa	1.1%	South America	2.3%
Middle East	2.7%	Australia and New Zealand	0.3%

Source: World Steel Association – World Steel in Figures 2023.

China contributed 54% of global production. Chinese central government policy settings continue to be important to watch for potential flow-on impacts.

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



constructsteel.org

Constructsteel's commentary on the above chart was: *'Signs of stabilisation in the residential market continue due to government support but no significant rebound in activity expected. The 3-month moving average y-o-y growth in floor space eased to -11.3% in November; floor space sold was down -20.4% y-o-y'*. Since the China property market is a significant consumer of steel products, this suggests ongoing reduced domestic demand.

ASI Initiatives

- **Steel Skills Strategic Initiatives**

NSW

The ASI is currently working with AiGroup and Investment NSW to deliver a Sustainable Modern Manufacturing seminar to be held in the first quarter of 2024. The seminar will cover a wide range of topics, spanning from advanced manufacturing and industry 4.0 through to decarbonisation and net zero. It also includes a diagnostic tool that is designed to help businesses undertake a self-assessment of their preparedness to become more sustainable, and in particular to meet the increasingly demanding net zero manufacturing expectations. Please contact David Varcoe davidv@steel.org.au for more information.

Victoria

The ASI in conjunction with Kangan Institute plan to deliver a VIC government subsidised Certificate II Engineering (Roll Forming) Course commencing in March 2024 for ASI VIC Roll Forming members to upskill existing and new employees. Interested businesses have registered 21 employees to date. If you would like to know more about this initiative, please contact Sulfianda Soeleiman sulfiandas@steel.org.au.

Western Australia

ASI WA has engaged with the Department of Training and Workforce Development's Year 9 Career Taster Program (CTP).

What is the Career Taster Program? The CTP is an exciting and innovative program, designed to inspire secondary school students to become 'career curious' about further study opportunities and potential careers. The CTP is available to all schools and Year 9 students across WA until the end of 2025.

How can ASI members get involved? At the heart of the CTP are industry-led experiences and activities that introduce students to a variety of job opportunities and career pathways. The Career Taster Portal connects schools with engaging industry experiences through a searchable database. Teachers and students can search for experiences by industry areas, location and delivery mode. The Portal also houses informational resources for schools and employers to assist with the planning and delivery of career exploration experiences.

Nominate an Experience. If you have an experience to offer to Year 9 students, you can complete the Nominate an Experience form to tell us about it. We promote available industry experiences on the Career Taster Portal, where schools can view what's on offer and contact the provider directly to arrange delivery.

If you would like to know more about this initiative, please contact James England jamese@steel.or.au.

- **State Government Advocacy for Local Steel Content, Sustainability, and Quality Assurance**

NSW

ASI provided written case study information on behalf of several members, for local supply chain capability in the solar farm market to the NSW Renewable Energy Plan secretariat, which will be included in a report being prepared for the Energy Minister. The case studies provided a summary of investment and product development activity being conducted in response to the local content targets for solar. Please contact David Varcoe davidv@steel.org.au for more information.

Queensland

The Queensland Government has advised in writing that all new vertical infrastructure projects or significant upgrades for the Brisbane 2032 Olympic Games will target six star (world leadership) Green Star for Buildings ratings from the Green Building Council of Australia. As sustainable construction materials including steel will need to be sourced across the infrastructure program to meet this commitment, ASI has been actively engaging with government in this space.

As part of this process ASI's Sustainability Manager Jerusha Beresford presented details of the ASI Steel Sustainability Australia scheme to the executive team in the Olympic and Paralympic Infrastructure Office, Queensland Department of State Development, Infrastructure, Local Government and Planning. A similar presentation to the Queensland Department of Energy & Public Works is being scheduled for February 2024. Please contact John Gardner johng@steel.org.au for more information.

South Australia

Infrastructure SA is currently preparing the next 20-Year State Infrastructure Strategy. This is an important piece of work that will provide a state-wide perspective on the infrastructure needed to support South Australia's economic growth, liveability and prosperity to 2045. To inform the development of the Strategy, Infrastructure SA has released a Discussion Paper which provides an overview of SA's economic context, current megatrends and their implications for infrastructure, relevant evidence and data, as well as key issues and challenges that SA need to consider in planning. It also includes a series of consultation questions to provoke thought and facilitate feedback. The ASI was invited to review the Discussion Paper [South Australia's next 20-Year State Infrastructure Strategy | YourSay](#) – an ASI submission was finalised in late 2023.

Victoria

The updated 2023 [Victoria Steel Supply Chain Directory](#) has now been launched on the VIC government's Made in Victoria site. This will be shared internally across the VIC government agencies and will help further drive local steel content in Victoria.

The Victorian Government is strengthening the Local Jobs First Act 2003 to ensure local jobs and local content continue to be prioritised on all government projects. The public submission process was open via [Engage Victoria](#) and DJSIR invited a written submission from the ASI. In *December 2023*, the ASI finalised the Submission on Strengthening Victoria's Local Jobs First Act 2003 – Consultation Paper feedback.

If you would like to know more about these SA / VIC initiatives, please contact Sulfianda Soeleiman sulfiandas@steel.org.au.

Western Australia

The new The Local Capability Fund (LCF) provides businesses with access to funding to improve capacity and competitiveness. Please refer to the link in the Funding Schemes section for more information.

The ASI in WA has accepted a place on the Advanced Manufacturing Consultative Forum. The Forum will provide an important focus on the continuous growth of local businesses and jobs, leveraging both Government and private sector investment for the long-term benefit of Western Australians. This includes having an economic diversification, industry development, job creation and skills and training lens across all priority sectors to explore opportunities that arise through the launch of the Advanced Manufacturing Blueprint and complementary prospectus.

The ASI continues to engage with the WWF regarding steel decarbonisation. Decarbonisation of the iron ore and steel sectors is critical for Australia to meet national emissions reduction targets. This complex challenge presents significant risks and opportunities and requires 100% commitment to renewable energy resources and alternatives to fossil fuels.

ASI has contacted the relevant Minister to discuss increasing commitment from the Department of Finance to compliance. Recently there have been reports of poor specifications being written which leave the Department open to non-compliance in its projects, ASI has offered to assist with specification development and monitoring.

If you would like to know more about these initiatives, please contact James England jamese@steel.or.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](#)
- [Department of Industry, Science & Resources - Resources and Energy Major Projects](#)
- [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 Government Infrastructure Pipeline](#)
- [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](#)
- [NSW Climate and Energy Action](#)

Northern Territory

- [Business grants and funding](#)

Queensland

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

Victoria

- [Business Victoria Grants & Programs](#)
- [Industry R&D Infrastructure Fund](#)

Western Australia

- [Grants Assistance and Programs Register](#)
- [Local Capability Fund](#)

2024 Planner

- **February 2024**
 - [Face to Face Seminar series – AS 4100 Steel Structures Design](#)
 - To be held in Brisbane, Sydney, Melbourne, Adelaide and Perth these seminars will be beneficial for all structural engineers, particularly those who are not frequent users of AS 4100 or need their skills updated. For experienced engineers, the seminars will provide an opportunity to get expert feedback on issues of concern or clarification of code requirements. The seminar will also include awareness of the expected revisions to AS 4100.
- **March/April 2024**
 - [Webcast Seminar – Workshop Inspection of Structural Steelwork](#). This online seminar presented by ASI National Technical Development Manager Dr Peter Key addresses the critical role of workshop inspection in ensuring the structural integrity of structural steelwork. With structural steelwork forming the backbone of modern infrastructure, the reliability and safety of these components are of paramount importance. The seminar explores the various facets of workshop inspection, emphasizing its significance in guaranteeing compliance with industry standards, minimizing defects, and ultimately enhancing the overall performance of steel structures.

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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