
Competitiveness of Russian ferroalloys producers in the context of growing import

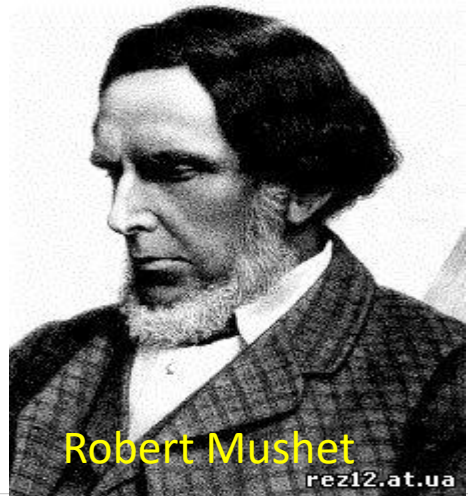
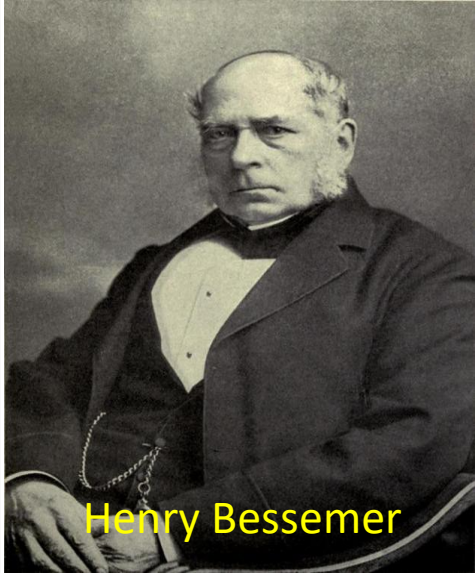
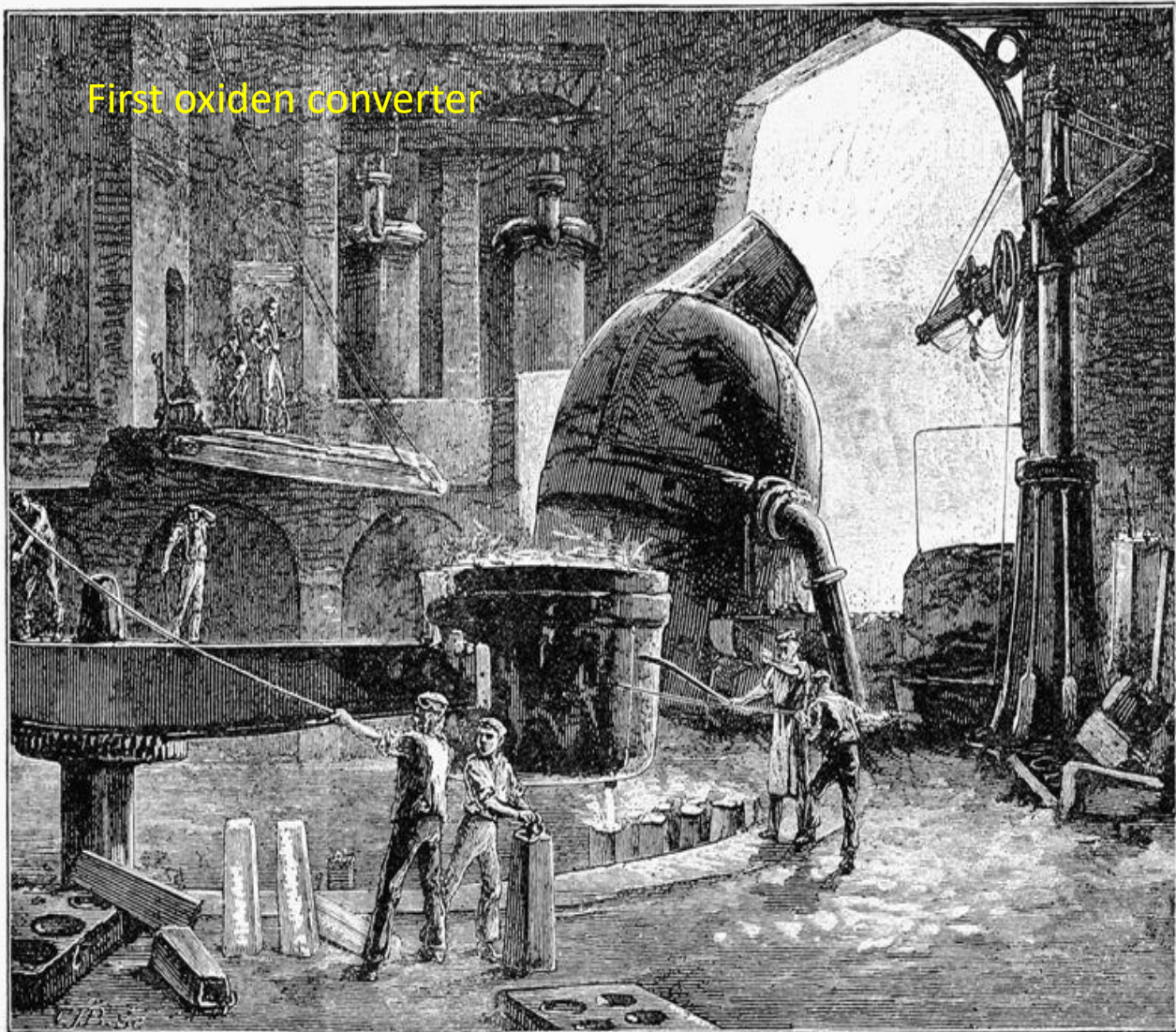


Ferroalloys market of Russia and CIS

Istanbul, 19-20 September 2019

Dmitry Ostrovskiy

Ferroalloys market of Russia and CIS

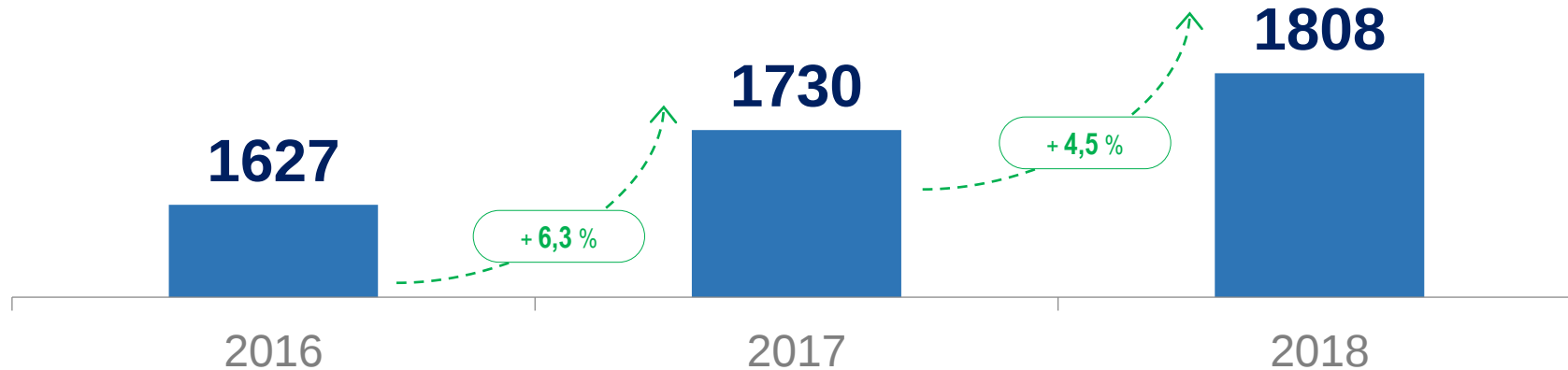


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Ferroalloys market of Russia and CIS

World steel production in 2016-2018 Y

МЛН ТОНН



World Steel production in first half of 2018/2019

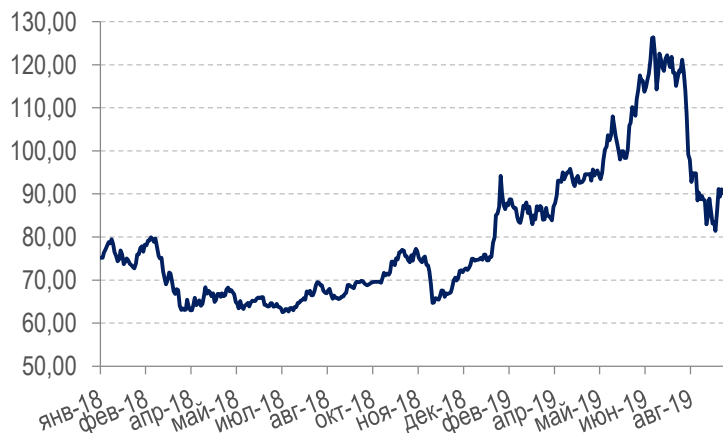
МЛН ТОНН

6 мес 2018
6 мес 2019



Ferroalloys market of Russia and CIS

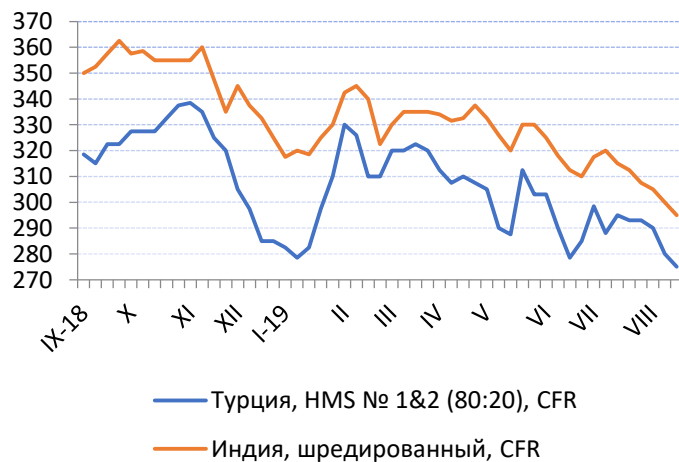
Platts Index 62%(US\$/ton)



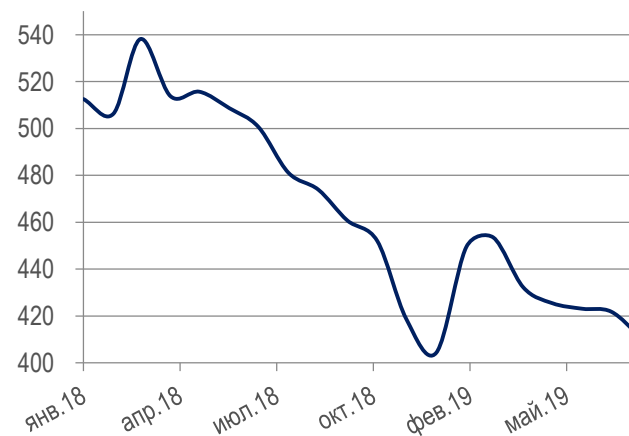
Australian Coke Coal . usd/mt



Steel scrap, usd/mt,

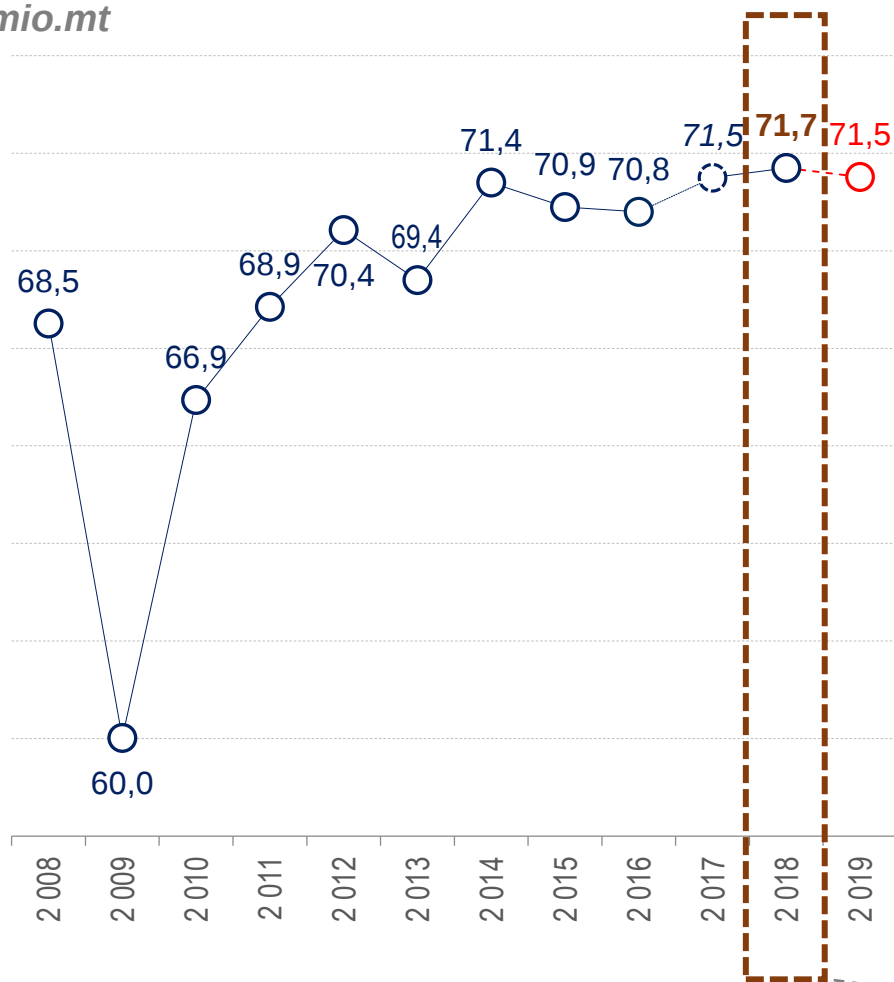


HRC, FOB Black Sea, usd/mt

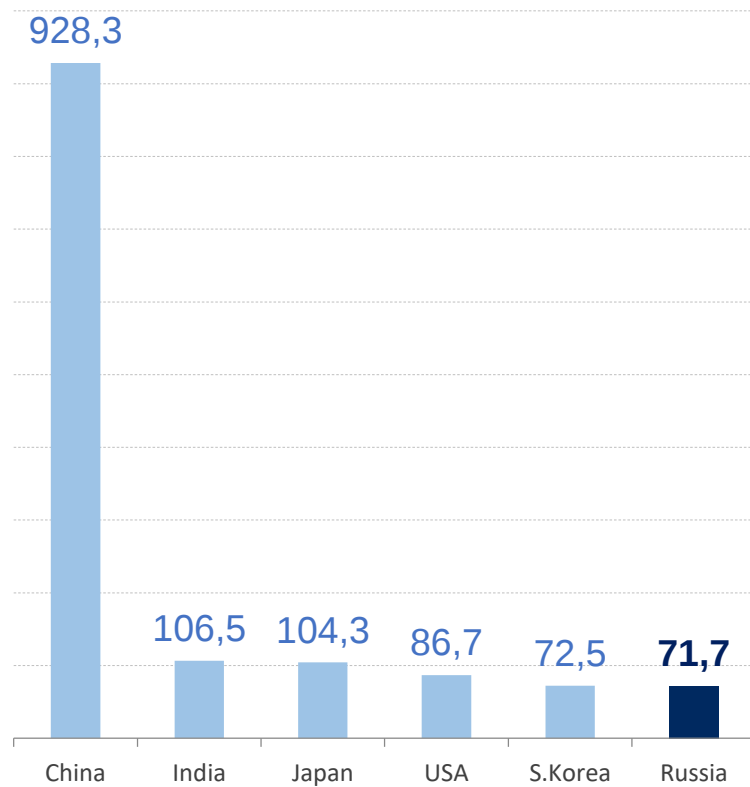


Ferroalloys market of Russia and CIS

Production steel in Russia, *mio.mt*

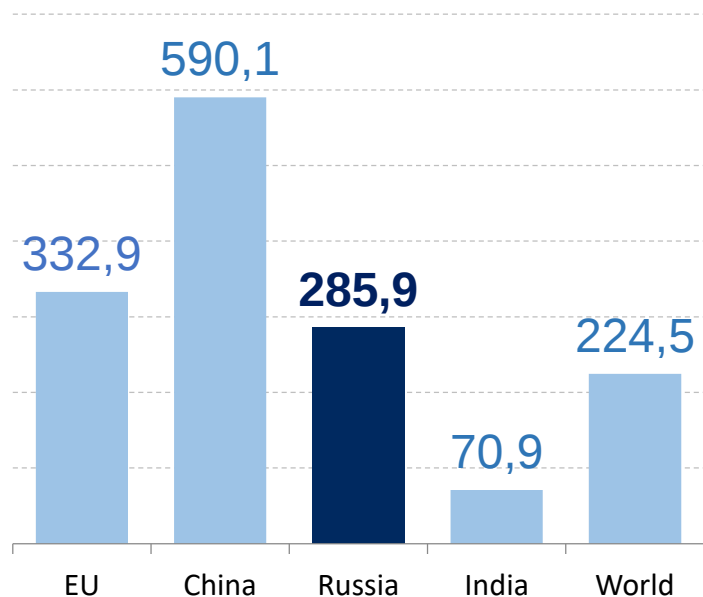


Largest world steel producers, *2018, mln.mt*

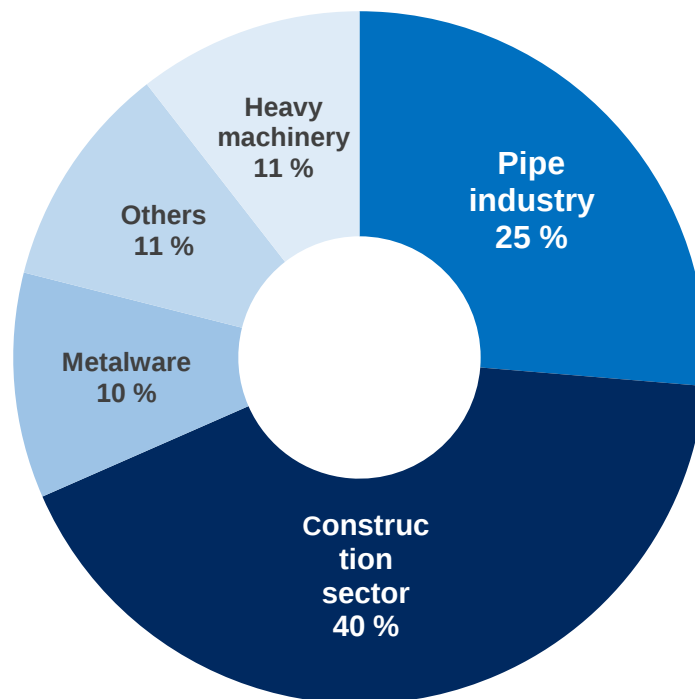


Steel consumption in Russia

Steel consumption per capita *kg per capita*



Structure domestic consumption of steel products in economic of Russia



Ferroalloys market of Russia and CIS

Company	2016	2017	2018	Weight 2018, %
Evraz	13 513	14 033	13 019	90%
MMK	11 600	12 860	12 664	
Severstal	11 600	11 700	12 039	
NLMK	16 641	17 076	17 493	
Metalloinvest	4 700	4 800	5 100	
Mechel	4 252	4 274	3 881	
TMK	3 458	3 792	4 010	10%
ChTPZ	850	850	900	
OMK	900	900	900	
Others	3 286	1 215	1 694	
Total	70 800	71 500	71 700	100%

Ferroalloys industry of Russia



Ferroalloys market of Russia and CIS

Total production ferroalloys in CIS is about 4.9 m.mt
(25 plants)



THE BIG THREE

Producers of Ferroalloys, mt (2018)

	 ERG	 Chemk	 Privat
FeCr HC	1 540 000	200 000	--
FeCr LC	70 000	180 000	--
SiMn	60 000	300 000	797 000
FeMn-78	--	12 000	152 000
FeSi	40 000	530 000	70 000
Total	1 710 000	1 222 000	1019 000



Consumption ferroalloys in Russia, th.mt

'000 mt	Consumption of 2018	Production except THE BIG THREE	overcapacity	Production THE BIG THREE
FeSi	174	200	+14%	+640
SiMn	440	350	-25%	+360 (-Privat)
FeMn	172	270	+56%	+164
FeCr	65	90	+38%	+1 990
Total	851	910		+3154

World competition on the world market

Country	Production, mt	Consumption, mt	overproduction, mt	%%
CIS	4 800 000	1 087 000	3 037 000	400 %
India	2 917 000	1 817 000	1 100 000	60 %
China	19 060 000	18 500 000	560 000	3 %
EU	2 158 000	3 796 000	-	-
USA	210 000	1 194 000	-	-
Japan	300 000	1 540 000	-	-

Ferroalloys market of Russia and CIS

Consumption ferroalloys in Russia, th.mt

'000 mt	2016	2017	2018	Consumption kg/mt steel
FeSi	165	165	174	2,48
SiMn	420	422	440	6,2
FeMn	160	160	172	2,42
FeCr	60	65	65	0,91
Total	805	812	851 (+6%)	12,01

Average consumption ferroalloys in the world 20 kg/mt steel

Consumption ferroalloys by Russian steel mills, mt/y

	SiMn	FeSi-45/65/75	FeMn-78	HC FeCr	LC-MC FeCr	Summ
Evrasholding	108 000	22 000	9 600	3 600	2 520	145 720
MMK	72 000	24 000	24 000	-	2 520	122 520
Severstal	36 000	15 600	24 000	480	140	76 220
Lipetsk	36 000	24 000	40 000	-	140	100 140
Metalloinvest	48 000	15 600	3 600	12 000	4 200	83 400
Mechel	21600	24 000	30 000	6 000	2 520	84 120
TMK	24 000	5000	6 000	3600	2 520	41 120
CHTPZ	15 600	1 200	840	-	-	17 640
OMK	8 400	2 500	840	1 680	840	14 260
Others	70 400	40 100	33 120	12 000	10 000	165 620
Summ	440 000	174 000	172 000	39 360	25 400	850 760

Production ferroalloys in Russia in 2018, th.mt

	Chemk	Tihvin	Bratsk	NLMK	SGMK	Kluchi	Metallex	Kosaya Gora	Satka	Total
FeSi	530		85	24			12			651
SiMn	300				46					346
FeCr HC	200	80								280
FeCr LC	180					12				192
FeMn	12							70	120	202
Total	1222 (75%)	80	85	24	46	12	12	70	120	1671

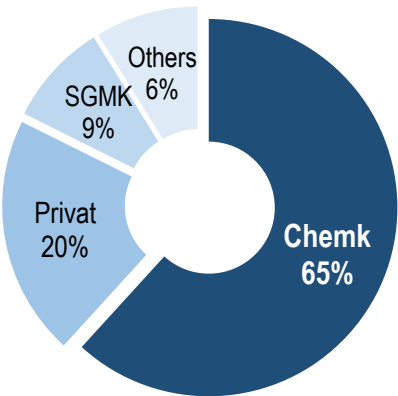
Ferroalloys market of Russia and CIS

Capacity of CHEMK and production-resources base

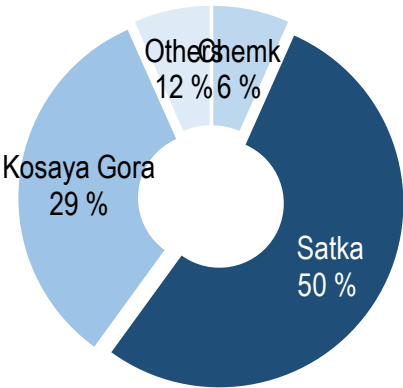


Market of ferroalloys in Russia

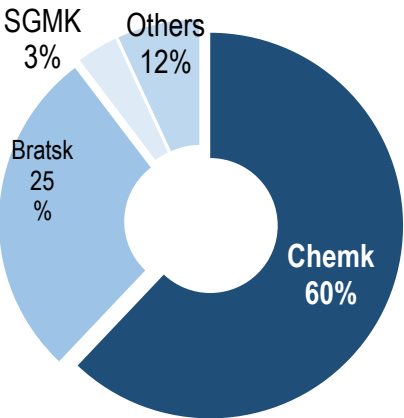
Market of SiMn



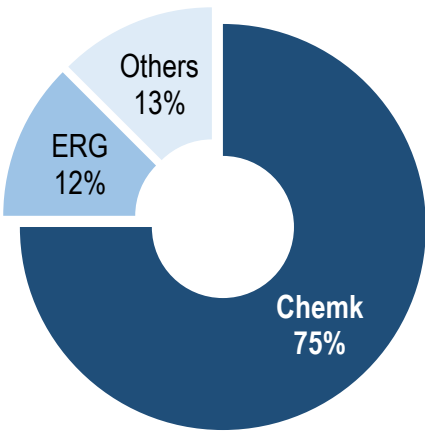
Market of FeMn



Market of FeSi



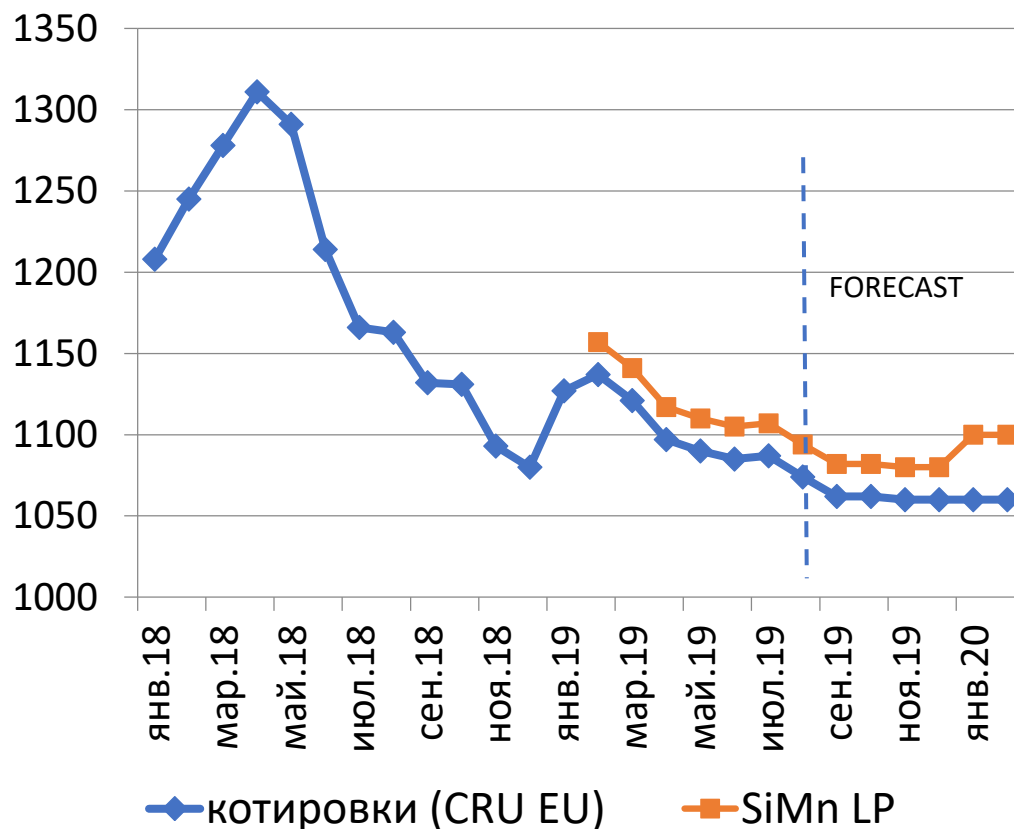
Market of FeCr



Ferroalloys market of Russia and CIS

Market of SiMn

Price of SiMn, usd/mt

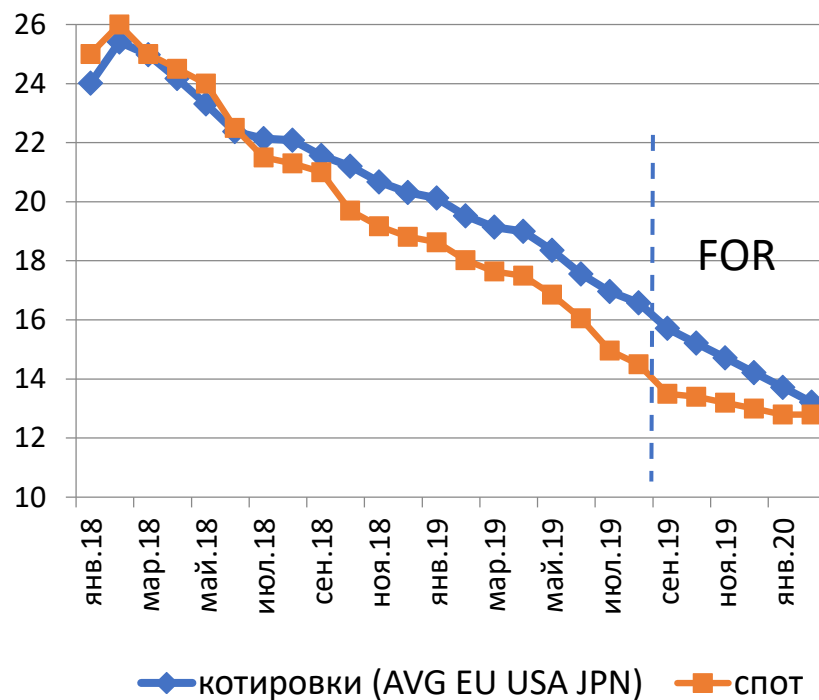


Текущее предложение
SiMN на рынок РФ

производитель	тн/мес
ЧЭМК	25 000
Приват (Грузия)	8 000
ERG	3 000
СГМК	4 000
Тараз 3Ф	1 500
СТМ групп	2 100
Гленкор	2 000
Прочие	500
ИТОГО	44 000
потребление	36 000

Market of FeSi

Price of Si in FeSi, usd/1%Si



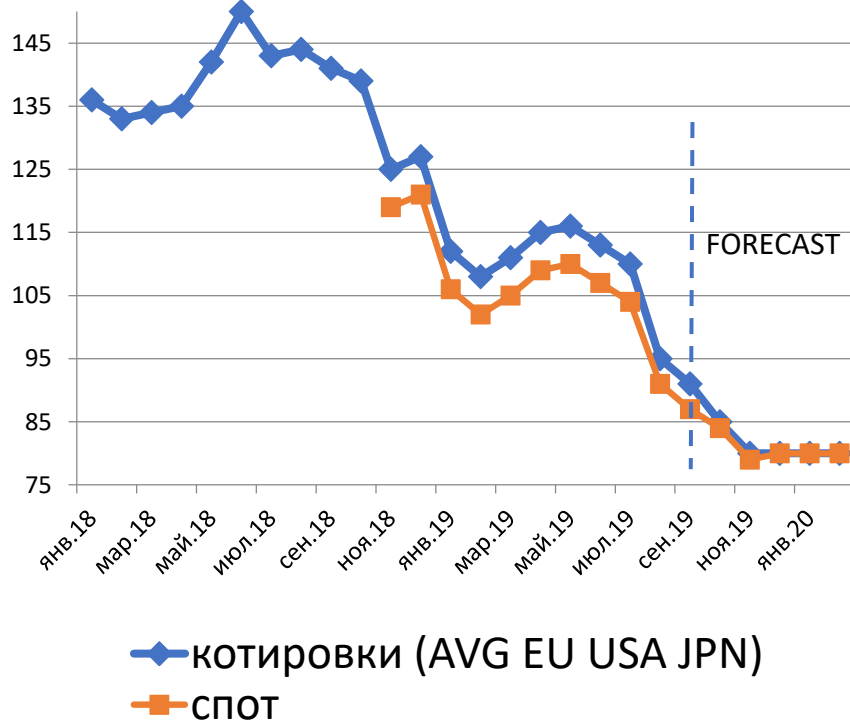
Текущее предложение FeSi
на рынок РФ

производитель	Тн/мес
ЧЭМК	10 000
Братск	4 000
НЛМК	2 000
Металекс	1 500
Приват (Украина)	500
КСП Стил	800
ERG	500
СГМК	500
БАКУ	200
YDD (Казахстан)	500
ИТОГО	19 600
Потребление	14 500

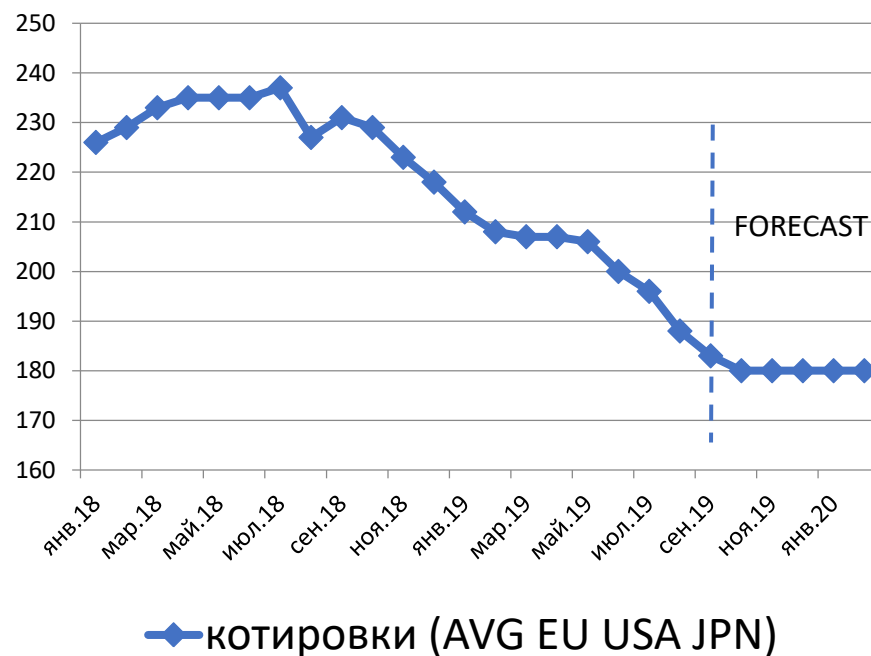
Market of FeCr

Price of HC FeCR, c/lb

HC FeCR



LC FeCr



Ferroalloys market of Russia and CIS

SiMn

Потребление 36 тыс. тн/мес

Предложение 44 тыс. тн/мес

FeMn

Потребление 15 тыс. тн/мес

Предложение 19 тыс. тн/мес

FeSi

Потребление 12 тыс. тн/мес

Предложение 19 тыс. тн/мес

FeCr

Потребление 4,5 тыс. тн/мес

Предложение 8 тыс. тн/мес



Factors of competitiveness

Cost of production, usd/bas.mt

		FeSi-75		SiMn		FeCr HC	
	Цена за ед	расход	сумма	расход	сумма,	расход	сумма
Электроэнергия, kWt/h	0,03	8500	255	4900	147	4300	129
Кокс, usd/mt	200	0,1	20	0,25	50	0,4	80
Уголь usd/mt	60	0,6	36	0,3	18	0,1	6
руда		2,1	38		511		540
прочее			150		100		100
ИТОГО			500		820		855
			6,6 \$/ Si				65 c/lb

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