



Emanuele Norsa

editor **kallanish**



WEBINAR

Rottame e DRI: nuove geometrie per il mercato italiano

KORE 62% Fe / Qingdao CFR USD/t



2020

Brazilian miner Vale has temporarily halted operations at the Itabira Iron Ore Complex in compliance with a decision issued by the Regional Labour Court in Minas Gerais, **Kallanish** learns from the company. The stoppage involves the Conceição, Cauê and Periquito mines, and follows all technical criteria and safety protocols, Vale says.

Vale says of the stoppage: “The ruling will remain in effect until judgment on the merits of the action or until the implementation of control measures to protect from Covid-19 as defined by the labour inspectors, under penalty of a daily fine in the amount of BRL 500,000 (\$100,819) fixed in a decision issued on 6 June by the same court.” The miner’s 2020 iron ore production guidance of 310-330 million tonnes considers a negative impact of 15mt from Covid-19-related restrictions.

“Considering the expected monthly production of 2.7mt from the Itabira Complex for the coming months and the provisioning of up to 15mt of losses associated with the coronavirus outbreak, there is no need, at this moment, to revise the guidance,” Vale confirms.

The company, however, expects a temporary shortage of pellet for the domestic market, given the Itabira Complex provides feed for the Tubarão Complex’s pellet plants, Vale adds.

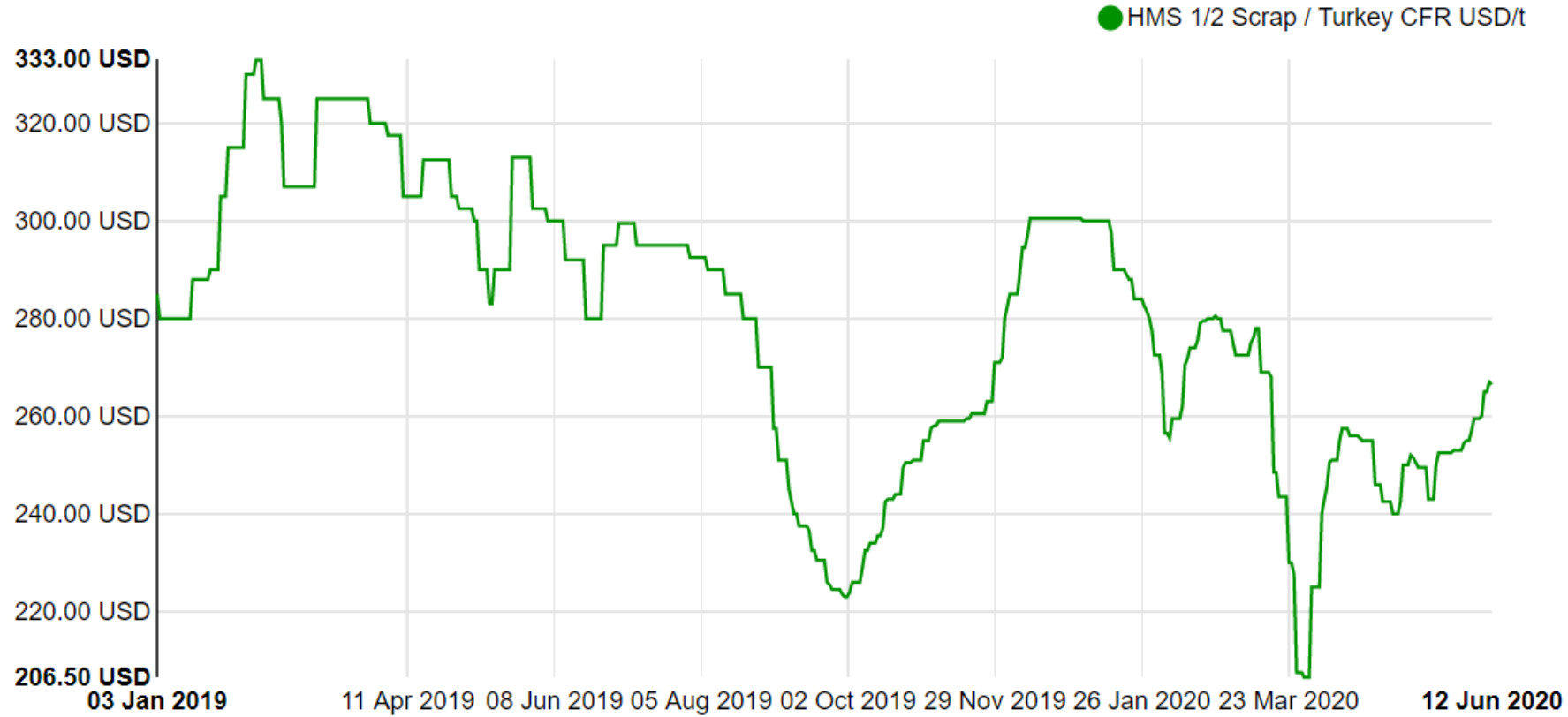
2019

Only 3 years after a tailings dam operated by Vale’s joint venture operation Samarco collapsed in Minas Gerais, Brazil a similar event has occurred in the region. This time the dam is one controlled by Vale itself at the Córrego do Feijão mine in Brumadinho, also in Minas Gerais. The rupture in the dam occurred in the early afternoon on Friday 25 January.

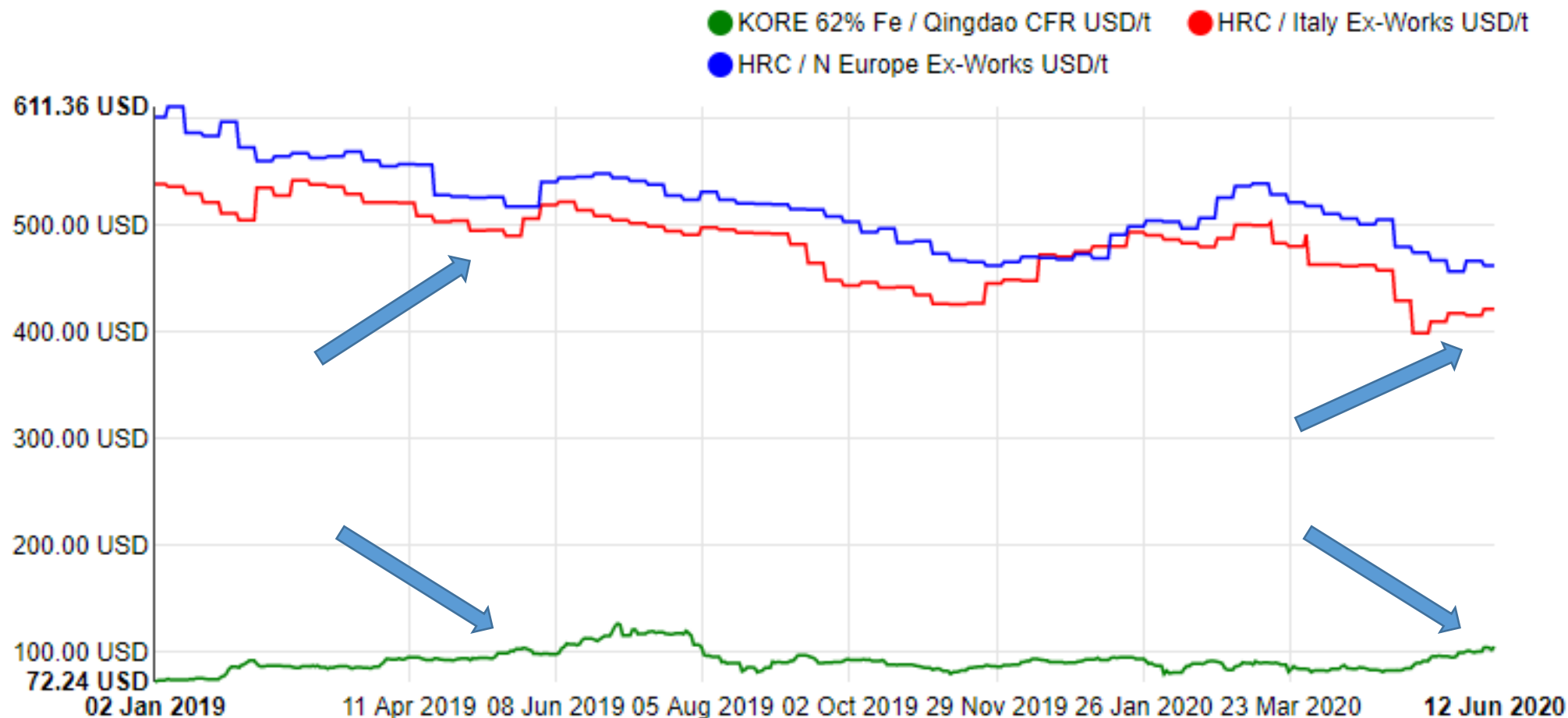
The latest reports are showing a death toll of 34 people with a further 300 unaccounted for as a result of the ensuing mudslide, **Kallanish** notes. The visibly shaken Vale ceo Fabio Schvartsman confirmed the incident in a short video broadcast by the company, but gave no further details. He did say that the cause of the breach was unknown. Operations at the mine itself have now been halted by order of Brazil’s Agência Nacional de Mineração, the national mining agency. Tailings Dam 1 at the mine was in the process of decommissioning, Vale says in a statement, and was not receiving additional waste. “Dam I had ‘Stability Condition Statements’ issued by TUV SUD do Brasil, an international company specialising in Geotechnics. The ‘Stability Condition Statements’ were issued on 13 June 2018 and 26 September 2018,” Vale says.

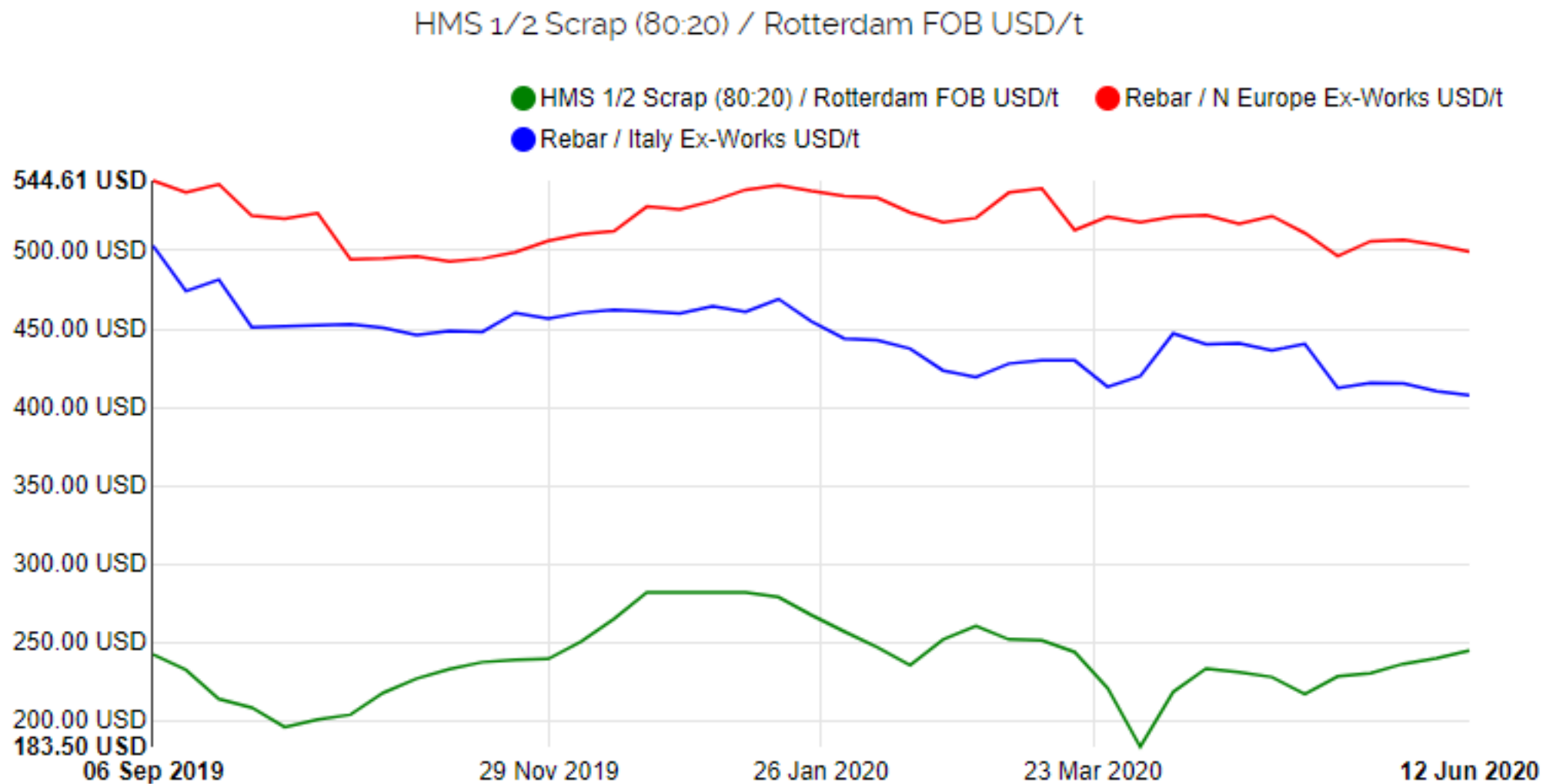
At 5.30am local time on Sunday 27 January, the miner also announced that monitoring instruments at Dam 6 had detected an increase in water levels there. The emergency plan for the local community in the region of the dam has been put into operation by Vale and the authorities, the company confirms.

HMS 1/2 Scrap / Turkey CFR USD/t



KORE 62% Fe / Qingdao CFR USD/t







Renate Featherstone, Principal Analyst – Multi-Commodity Research at Wood Mackenzie “The first logical step to reducing emissions when demand is growing is to recycle and reuse all available scrap,” she stated. “Only when we maximise scrap use do we significantly reduce overall virgin iron production and get emissions closer to government targets.

Although integrated steelmaking “...will remain the main source of steel in China over the next two decades,” Featherstone predicted, **electric furnaces’ share in global steelmaking could rise to 30% by 2026. This could then grow to 34-35% by 2040, potentially heading as high as 52% outside of China and India in two decades from now.**

”

STEEL SCRAP USE AND CRUDE STEEL PRODUCTION IN KEY COUNTRIES AND REGIONS (MILLION TONNES)

	Steel Scrap Consumption			Crude Steel Production		
	2019	2018	% Change	2019	2018	% Change
China	215.93	187.77	+15.0	996.342	920.027	+8.3
EU-28	87.545	90.939	-3.7	159.430	167.655	-4.9
USA	60.7	60.1	+1.0	87.927	86.607	+1.5
Japan	33.684	36.513	-7.7	99.284	104.319	-4.8
Russia	30.397	31.776	-4.3	71.570	72.122	-0.8
Korea Republic	28.540	29.956	-4.7	71.421	72.464	-1.4
Turkey	27.900	31.317	-10.9	33.743	37.312	-9.6
Canada	6.28	6.67	-5.8	12.790	13.444	-4.9
Total	490.976	475.041	+3.4	1532.507	1473.950	+4.0

Source: CAMU, EUROFER, USGS/ISRI-calculations, Japan Ministry Economy, RUSLOM, KOSA, TCUD, CARI, worldsteel

Coronavirus could accelerate EAF transition in EU: Genet

“There is ample room for increased scrap-based production of steel in Europe. The EU is the world largest exporter of scrap (> 20 million tonnes in 2019 to non-EU producers) and at the same time the largest importer of finished steel (44mt of finished steel from non-EU producers, often the same as the scrap importers),” Genet notes.



Liberty Steel Galati

NEW:

1 DRI plant (2.5mt)

2 EAFs

Capacity doubled to 4mt/y

Carbon Neutral by 2030

Iron Ore China CFR - Turkey Scrap CFR

