



## A LIFE OF STEEL

By Jim Stavis

This is a story which I was recently reminded of when my son was just a child in pre-school. I thought of it because next weekend he will be getting married. This story took place on "Daddy's Day," a day when all the fathers came to class and sat with their kids in a circle on the floor. We would then tell the class what each father did for a living.

The first child said her father was a lawyer and the second child said his daddy fixed people's teeth (dentist). Around the circle we went until it was my child's turn. My son, who was four at the time, told the class that his daddy *steals* for a living, whereupon everyone in the circle became quiet. I spoke up and said that actually I was in the steel business which was a big relief for all the other dads as well as the teacher.

Then the best part happened. One of the dads broke the silence and said, "We thought your dad was a lawyer, too."

This story is still funny to me after all those years.

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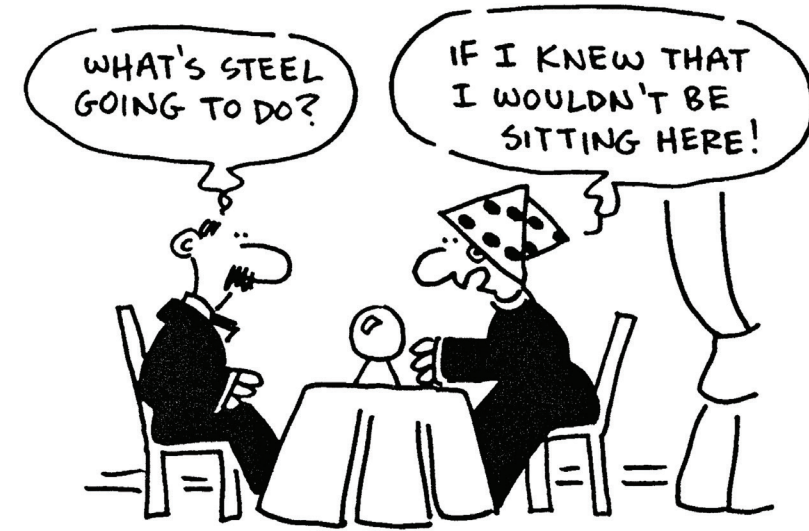
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# STEEL

in the Modern World

By Jim Stavis



33 YEARS



Steel is vital to modern economies. For the coming decades, global demand for steel is expected to grow to meet rising social and economic welfare needs. Meeting this

demand presents challenges for the iron and steel sector as it seeks to plot a more sustainable pathway while remaining competitive. Currently the sector is responsible for about 8% of energy CO2 emissions. However, through innovation, low carbon technologies and resource efficiencies, iron and steel have a major opportunity to reduce energy consumption and greenhouse gas emissions and develop more sustainable products.

Since 1970, global demand for steel has increased more than threefold and continues to rise as economies consume more goods and build up their infrastructure. Global demand for steel is projected to increase by more than a third through to 2050.

The Covid-19 crisis has sent shockwaves through global supply chains, leading to an estimated 5% decline in global steel output in 2020 compared to 2019. This has created many shortages in 2021 as well as huge price spikes. If you are a user of steel products, you are fully aware of this trend, but perhaps were unaware of the reasons behind it.

Back in 2018 before the pandemic, the U.S. steel industry had a major shake-up when the former president placed tariffs on most of the steel that came into this country. Most of those steel tariffs still exist today. What it was designed to do was help the American steel producers by preventing low cost imports from coming in and this had a dramatic price effect in the marketplace. Without cheap imports to compete against, the American steel producers were able to basically charge what they wanted, and the consumers of steel had no options. Even though demand was low, the overall supply of steel was even lower. This caused prices to rise and continue to rise without any end in sight.

The million-dollar question is what will happen in 2022. There are so many variables to consider, much of which we just don't know. Since our domestic steel production is such a small percentage of the world's production, what happens in China or even India now will likely have a greater impact on world supply and prices. Stay tuned...

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