

# The iron ore market – a long-term outlook

21 SEPTEMBER 2022

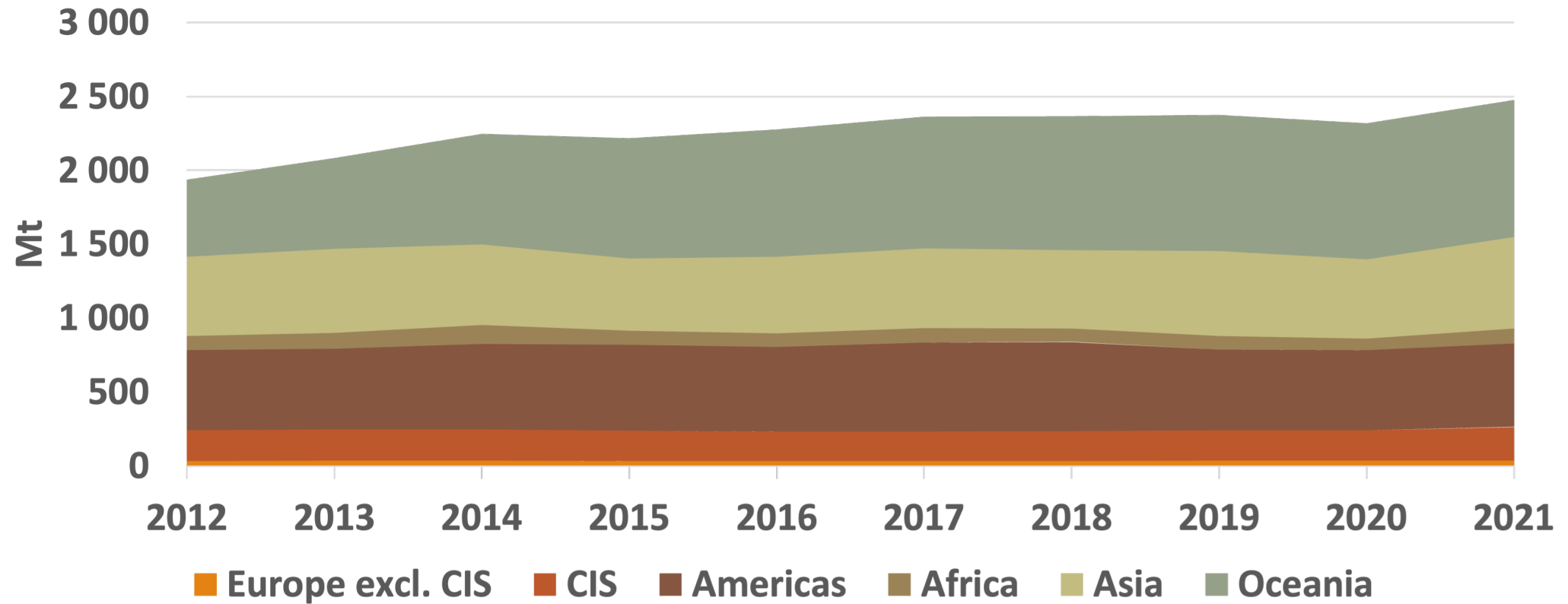
CHINA MINING 2022

ANTON LÖF, OLOF  
LÖF & MAGNUS  
ERICSSON 孟瑞松

# Agenda

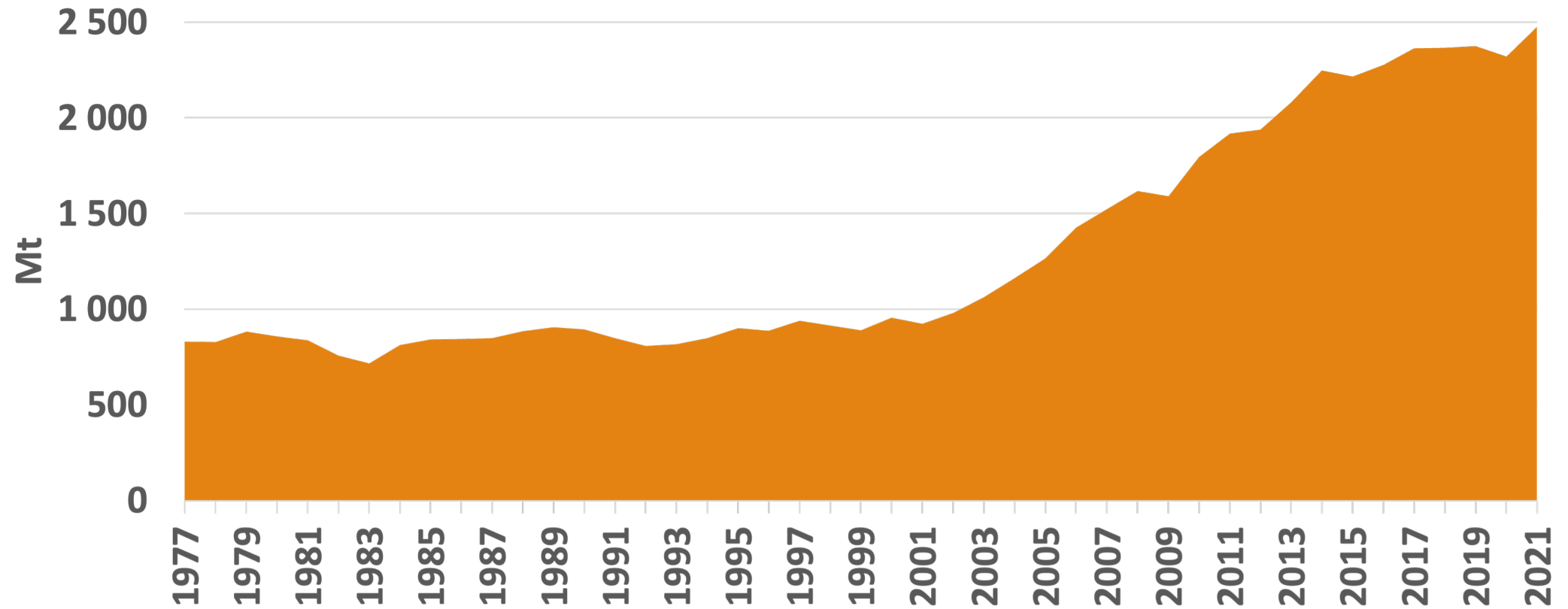
- ❑ THE IRON ORE MARKET
- ❑ MACRO ECONOMICS
- ❑ STEEL DEMAND
- ❑ IRON ORE PRICES
- ❑ THE LONG TERM OUTLOOK

# Iron ore production

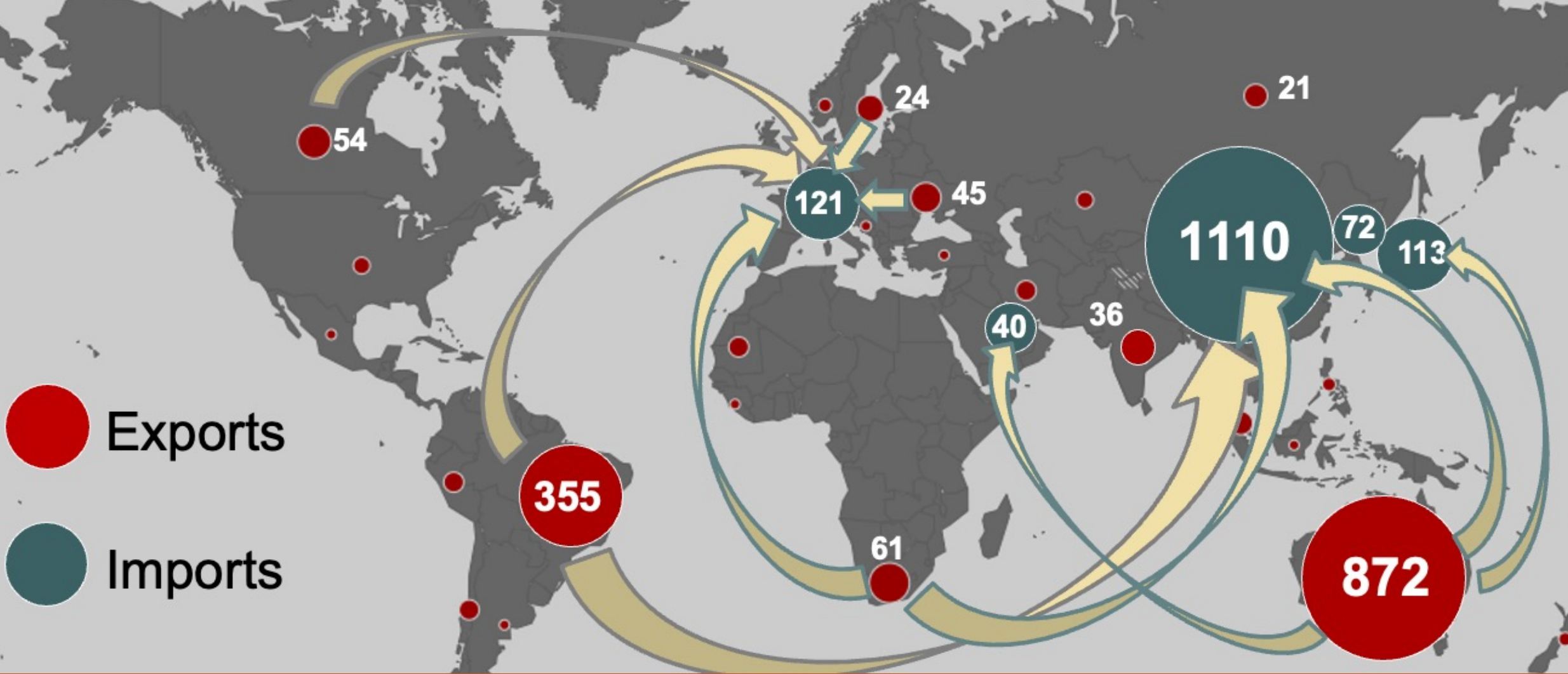


Source: RMG Consulting 2022.

# Long term iron ore production



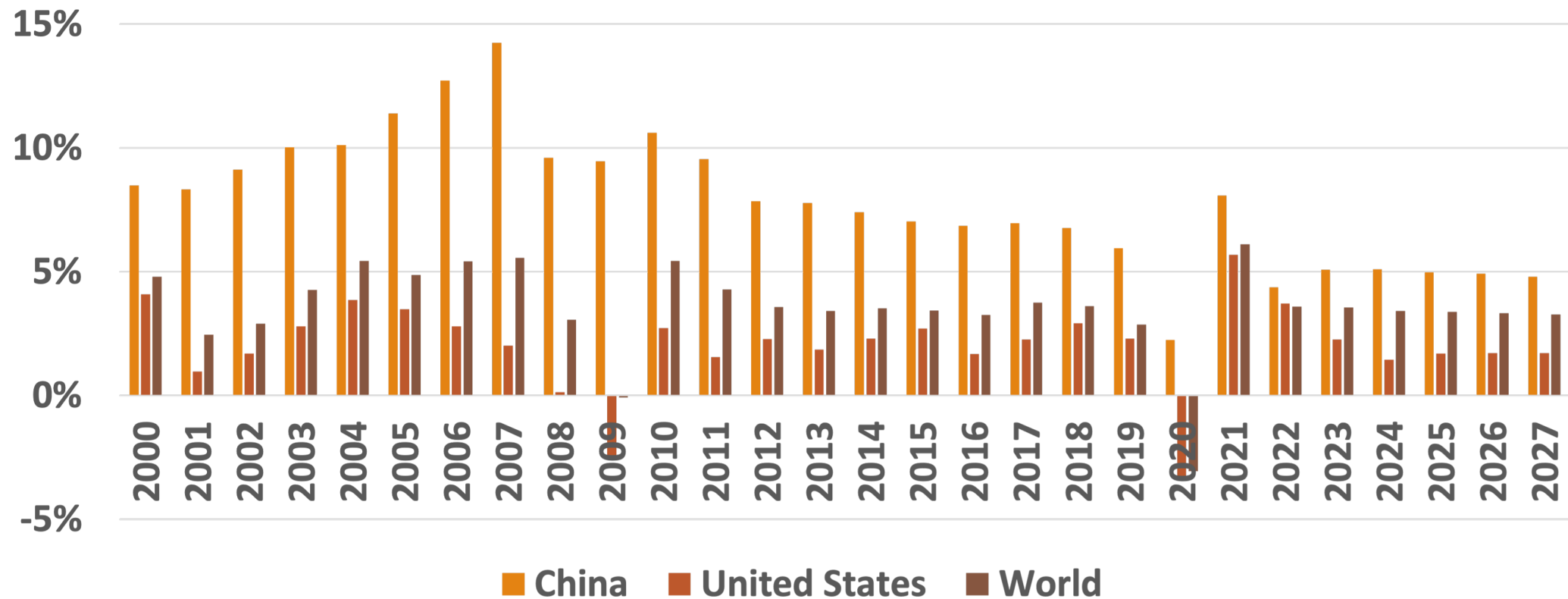
Source: RMG Consulting 2022.



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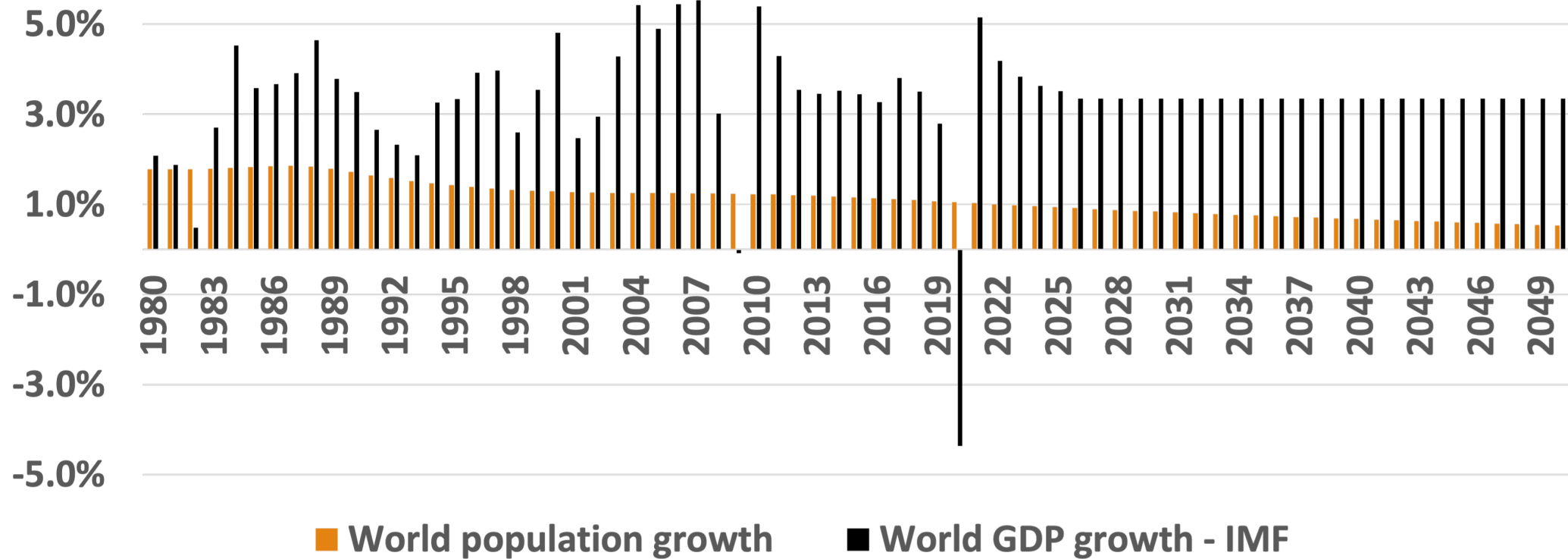
Iron ore trade 2021 million tonnes

# GDP change y-o-y, constant prices



Source: IMF, & RMG Consulting 2022.

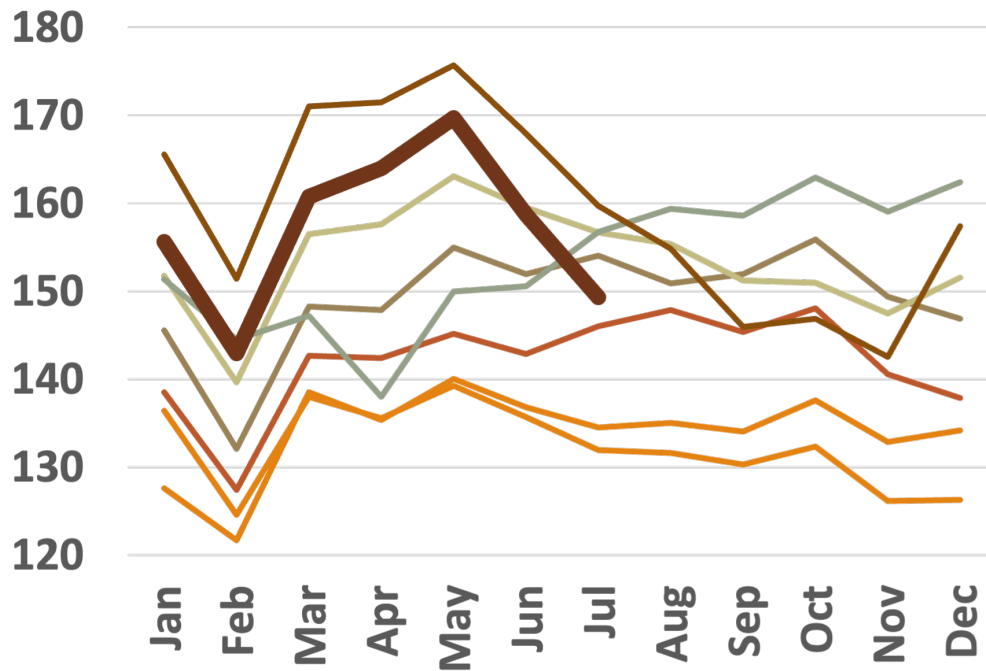
# GDP and population growth y-o-y



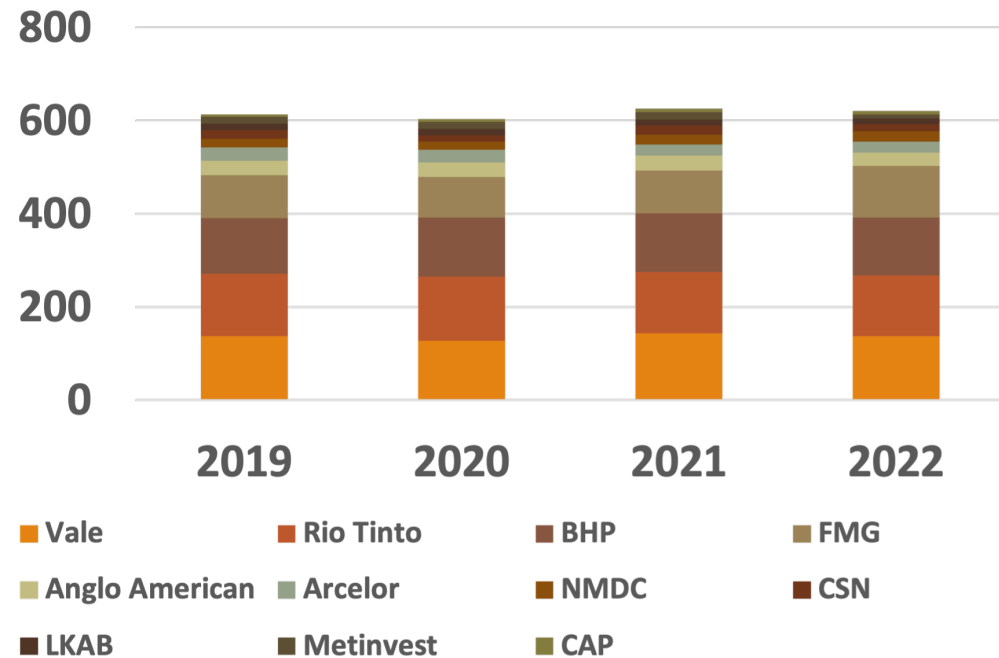
Source: World Bank, United Nations, IMF & RMG Consulting 2022.

# The iron ore market in 2022

GLOBAL CRUDE STEEL PRODUCTION PER MONTH (MILLION TONNES)



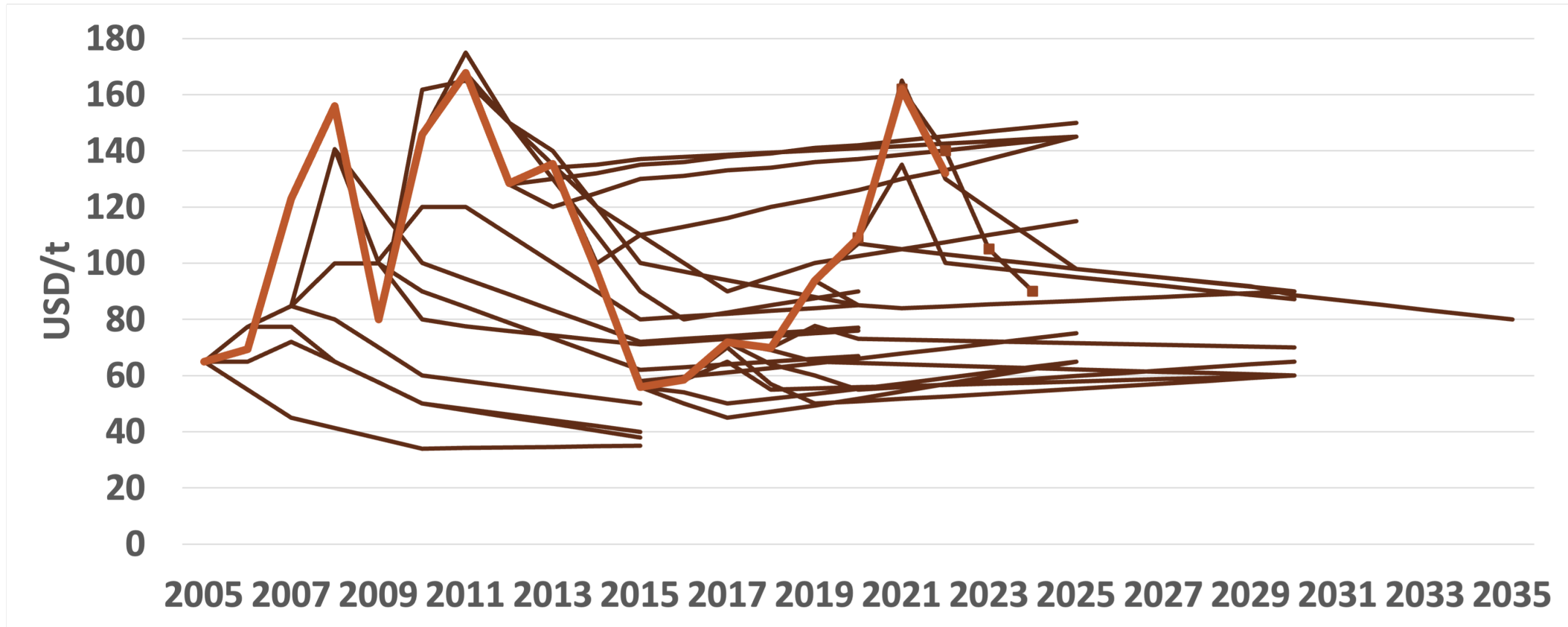
IRON ORE PRODUCTION MAJOR COMPANIES PER FIRST HALF YEAR (MILLION TONNES)



Source: WSA, various company reports, & RMG Consulting 2022.

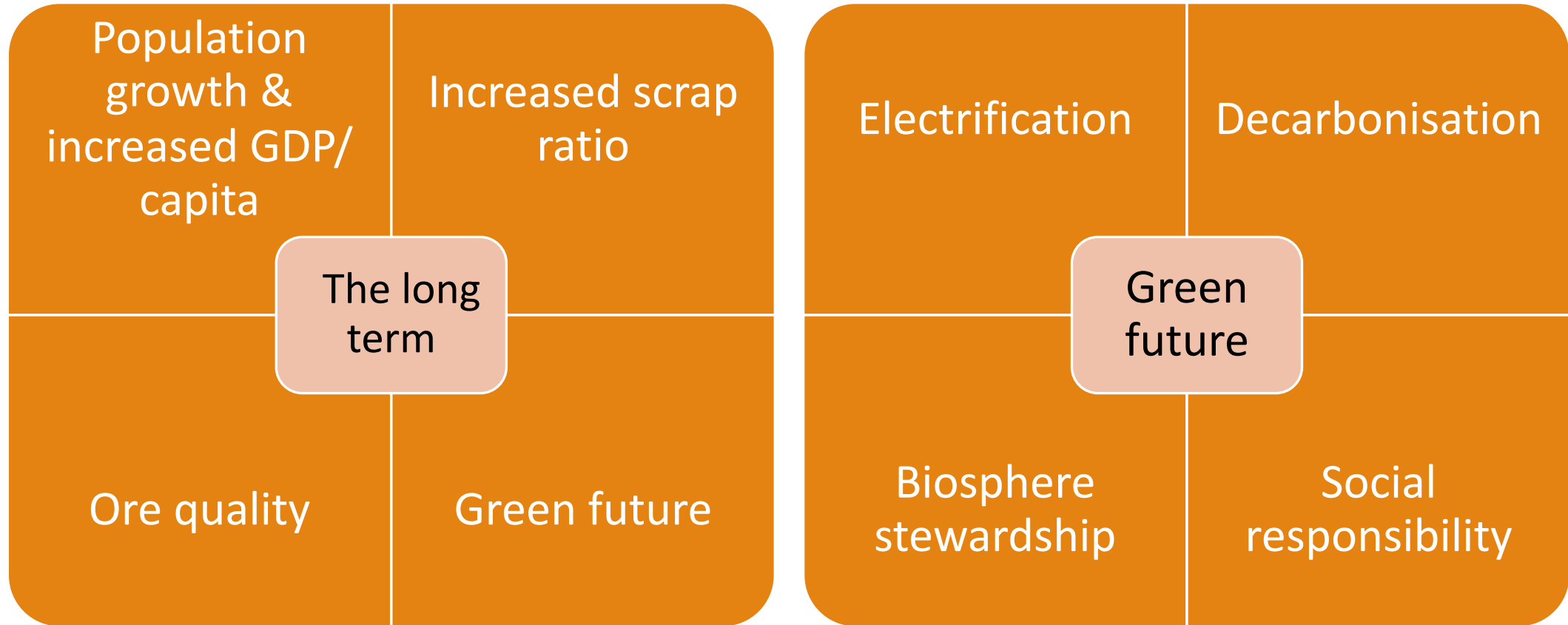


# Iron ore price forecasts



Source: World Bank & RMG Consulting 2022.

# The long term



Source: RMG Consulting 2022.

# Summary

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- ❑ Iron ore production in 2021 reached 2,476 Mt
- ❑ 2017-2020 stable production – was the growth in 2021 a one time thing? – are we facing a new low growth period?
- ❑ Global population is growing
- ❑ GDP/capita is increasing
- ❑ Need for new investments in infrastructure, housing, and a carbon free future
- ❑ 1H 2022 – subdued steel production & stable iron ore production – there might be too much iron ore on the market
- ❑ This would lead to pressure on the iron ore price
- ❑ Scrap ratio is increasing
  - ❑ this means that while long term steel demand is increasing, demand for iron ore is growing at a slower pace

Thank you

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# Thank you

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