



Characteristics of the welding industry in Europe

UPDATE for 2020 - 2021

Main markets using welding and cutting of metals for construction

- Building and infrastructures – metallic construction
- Transport equipment
 - Train
 - Automotive
 - Ships
 - Aircraft
- Energy
 - Oil and gas processes
 - Pipe lines and pipe mills
 - Power plants (Coal, gas, nuclear)
 - Wind mills
 - Petrochemicals industry
- Equipment for other industrial processes (food industry, storage, tanks...), waste treatment
- Other mechanical equipment: earth moving, agricultural equipment, military equipment, construction of various machines
- Maintenance and repair
- Hobby

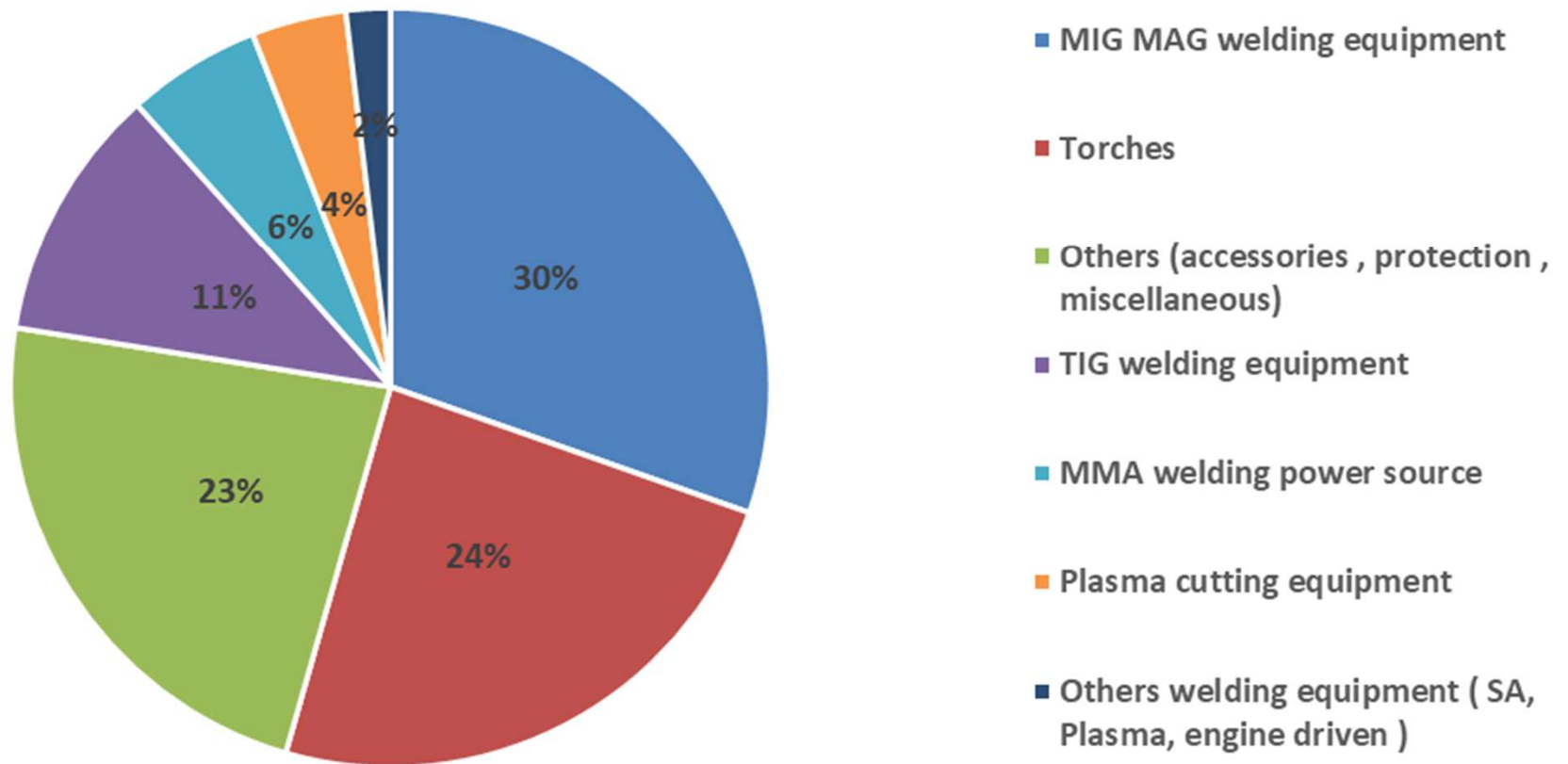
Dynamics of the welding market

- Main TRENDS :
 - Automation of welding (and cutting) operations – growth of robotics sector
 - Lack of skilled welders – need for more trained welders / and more training
 - Construction of lighter structures with the use of higher-strength and lighter-weight materials, particularly steels and aluminium
 - Demands of higher levels of reliability and higher-quality requirements.
 - Developing countries with industrialisation and rapid urbanisation
 - Improving safety for welders / welding processes with less emission of fumes / individual protection / fumes extraction system
 - Welding 4.0 / data collection and treatment to improve productivity, repeatability and quality
 - Impact of European Directives on eco-Design , circular economy, EMF
 - Acceleration of energy transition (energy , transportation, construction , manufacturing , heavy industry , agricultural sectors will be affected)
 - Long term steel consumption in Europe

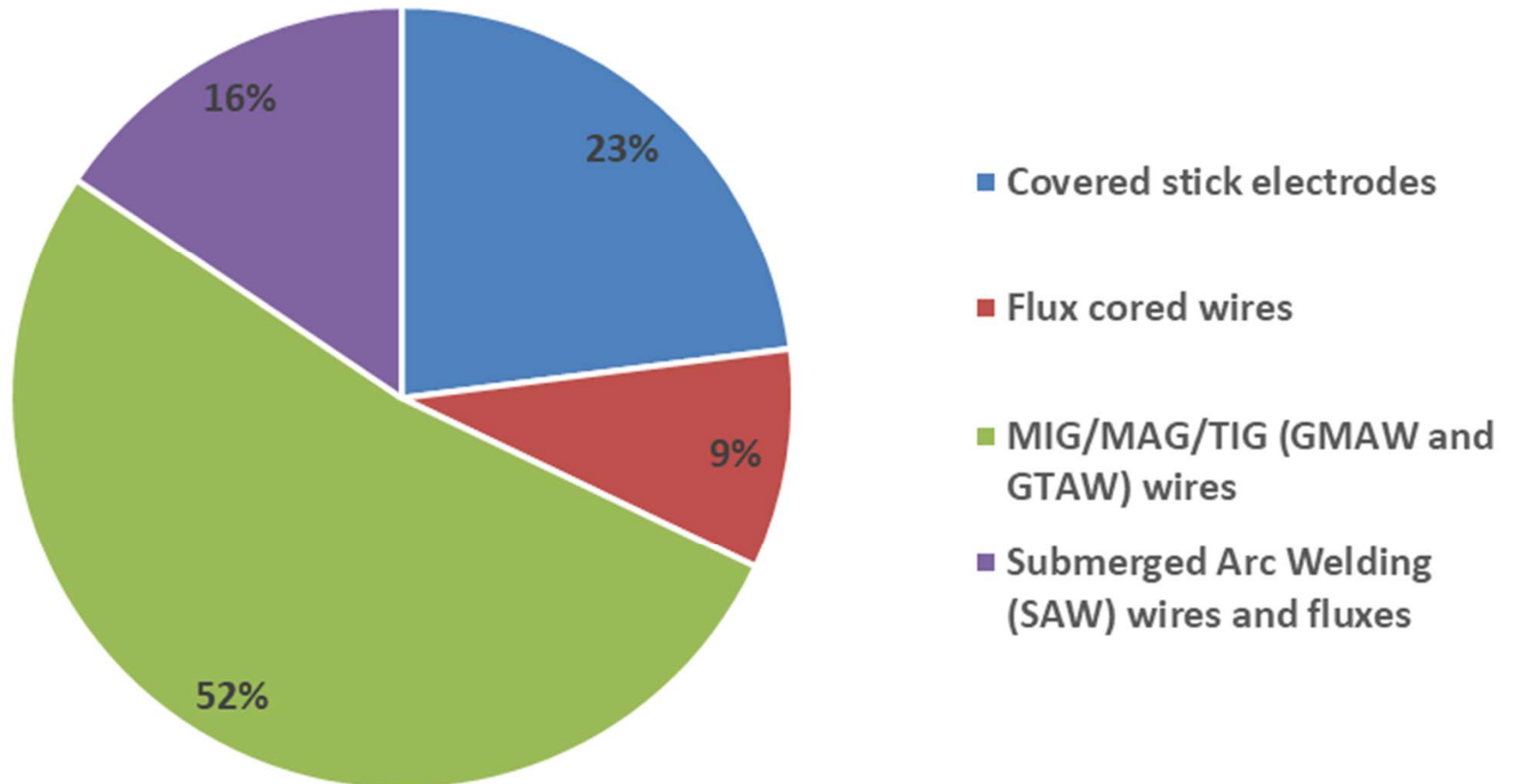
Specific situation of the welding Industry in Europe in 2020

- In 2020, the COVID-19 pandemic slashed the welding industry and the overall economic outlook across the EU . Shutdown measures, implemented by governments from March 2020, severely impacted manufacturing activity and welding-using industrial sectors, particularly over the second quarter that marked the trough of the pandemic-led cycle.
- Some of the measures that had the greatest impact on the economy and the industry were loosened as of June 2020, though many social measures remain in effect or were reinforced until early 2021.
- As a result, welding-using sectoral output experienced considerable quarter-on-quarter rebounds over the third and the fourth quarters and, at an even faster rate, over the beginning of 2021.
- In the EU-28 , the market declined by around 19% in 2020 compared to 2019 .

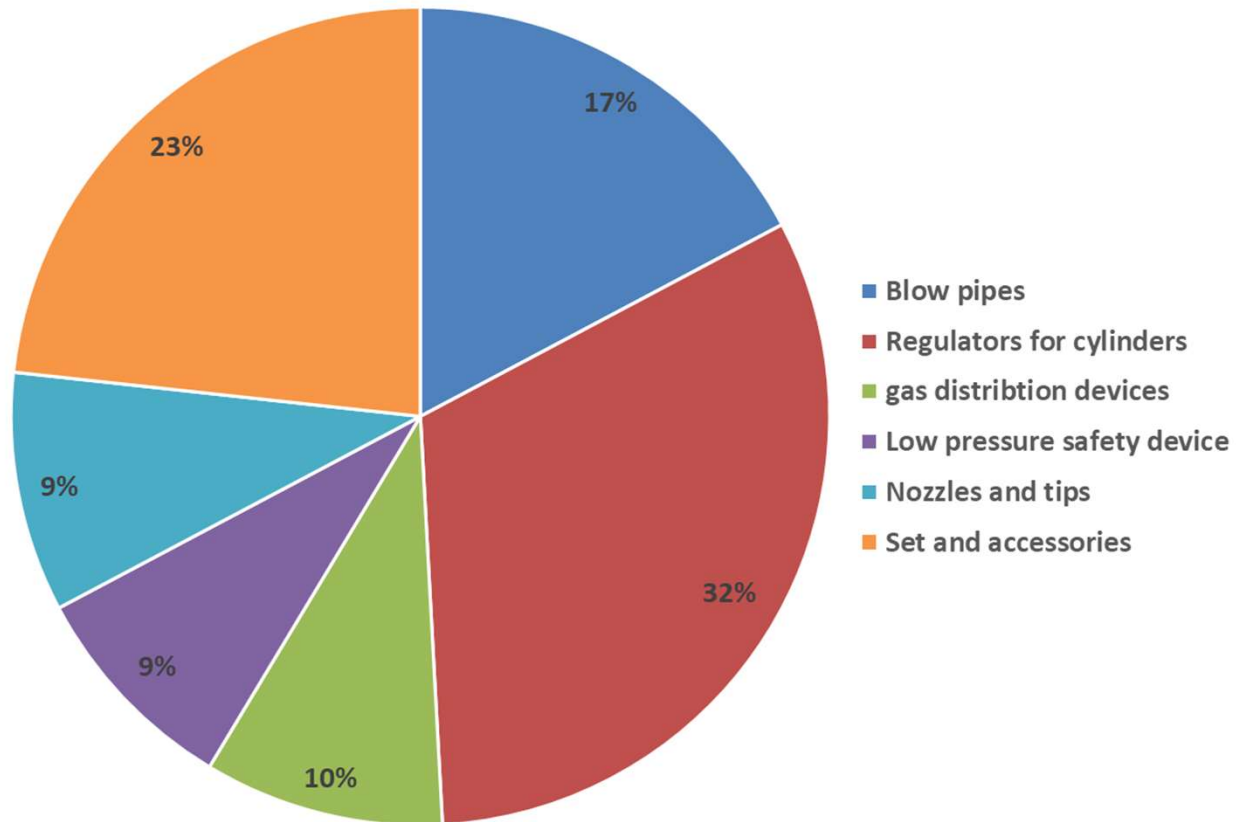
2020 European market of arc welding equipment
is estimated at 950 M €



2020 European market of Welding Consumables is estimated at 660 K Tons



2020 -European Flame equipment market is estimated at 105 Millions €

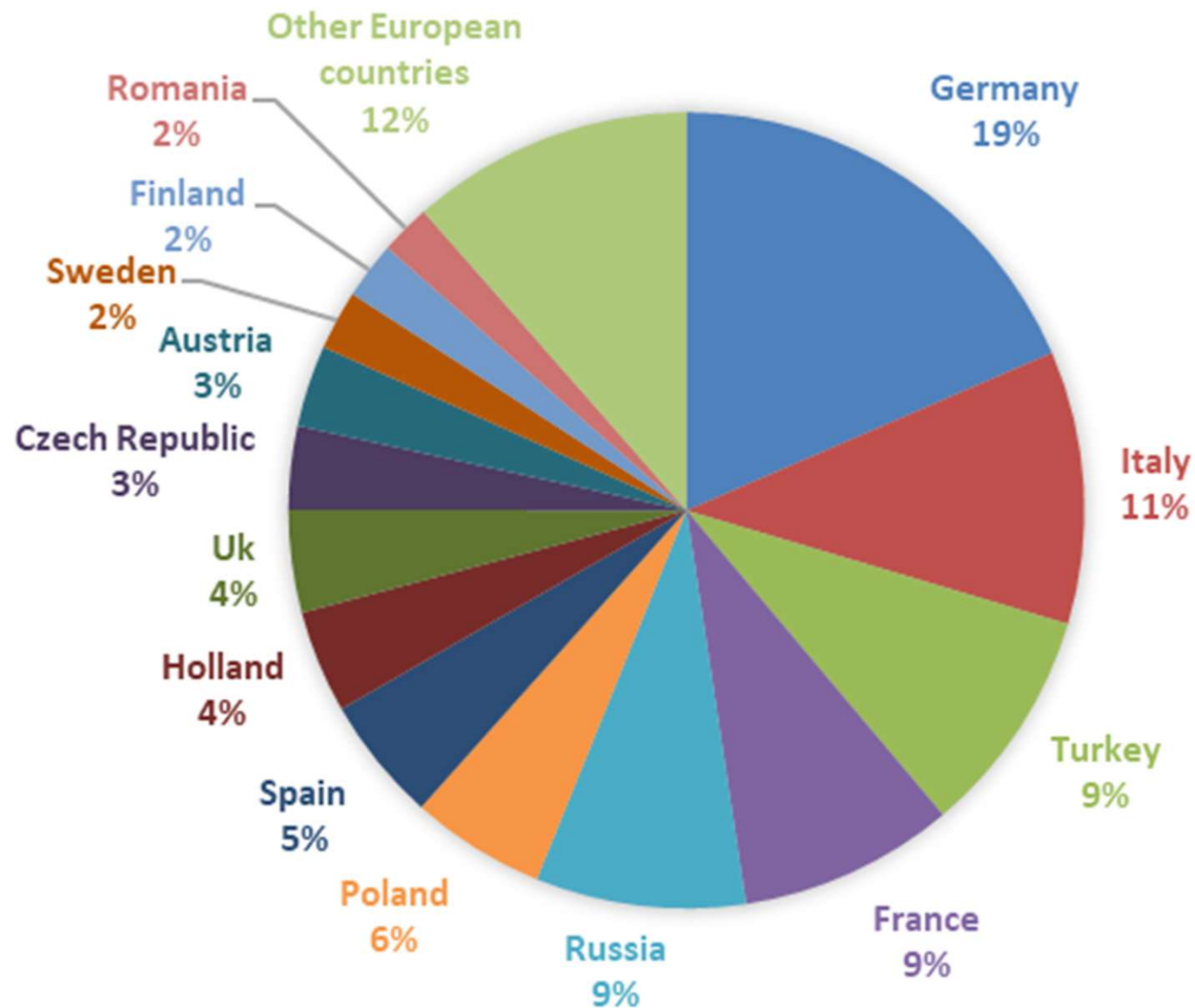


European countries – Turkey included

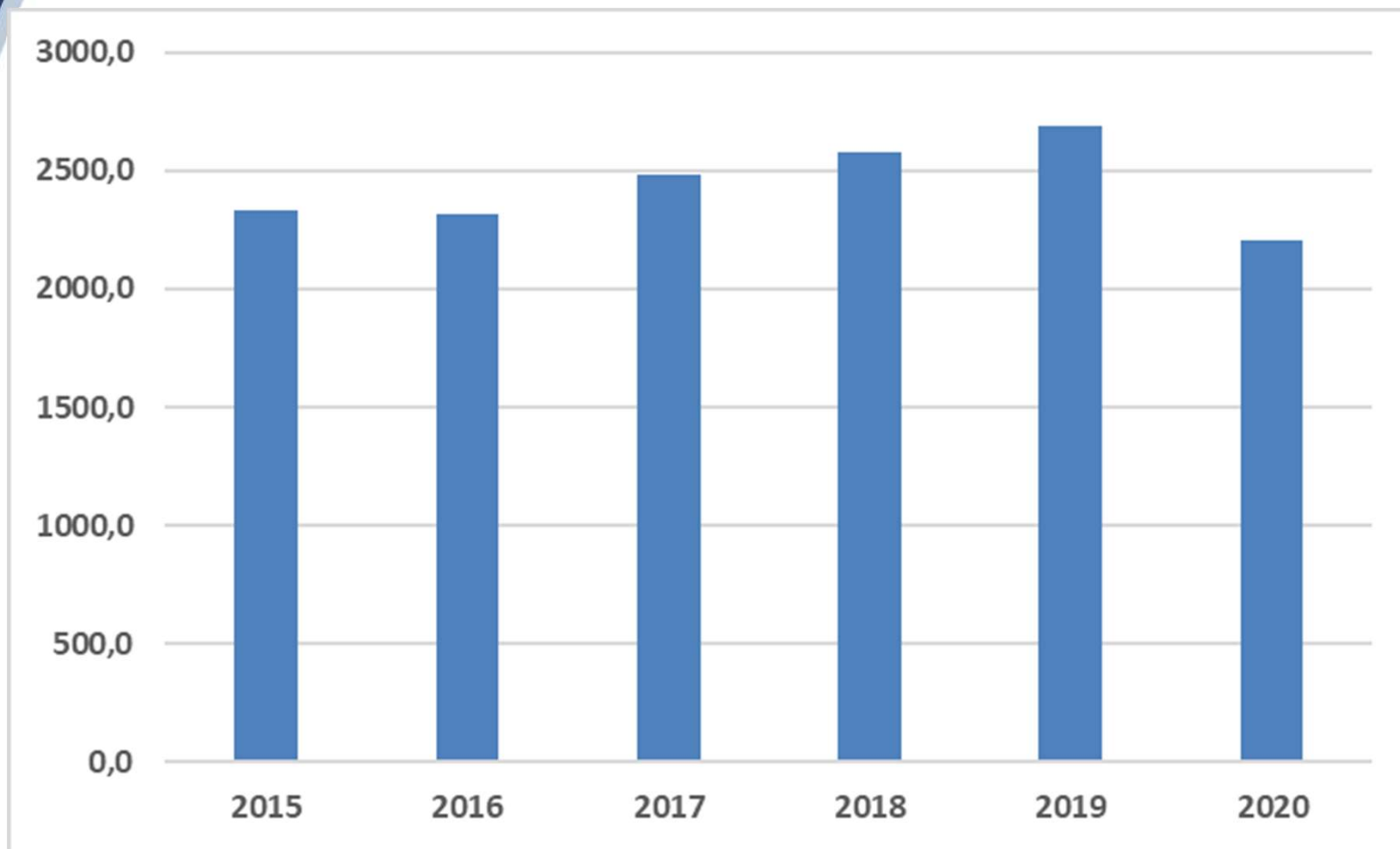
Market repartition

(Arc welding equipment + Welding consumables)

2020 estimation: 2,2 billions €



Evolution of the European Market (Welding consumables + Electric equipment) Millions €



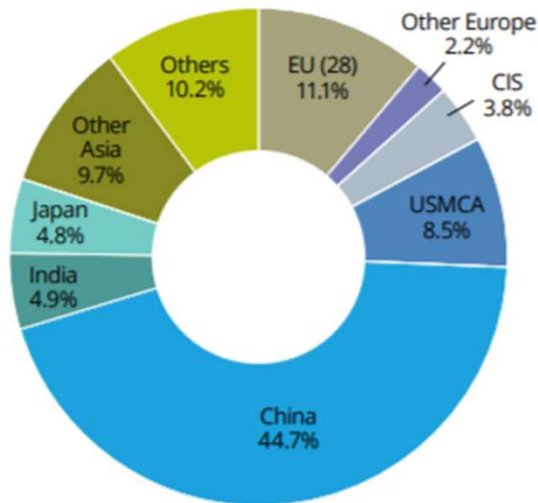


Welding industry is very linked
with steel consumption

Welding market is linked with apparent steel use / finished steel products

2010

WORLD TOTAL: 1 315 MILLION TONNES

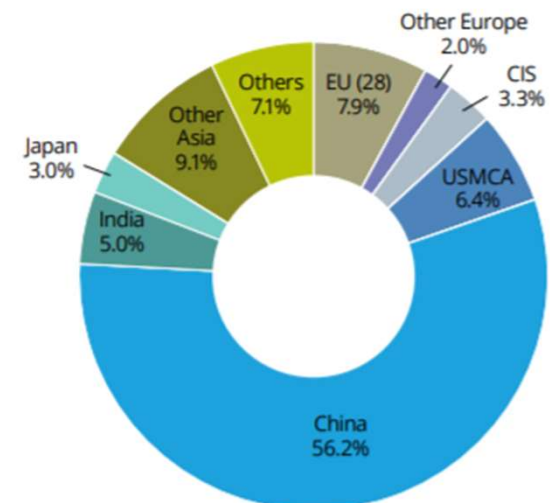


Others comprise:

Africa	2.4%	Central and South America	3.5%
Middle East	3.7%	Australia and New Zealand	0.6%

2020

WORLD TOTAL: 1 772 MILLION TONNES



Others comprise:

Africa	2.0%	Central and South America	2.2%
Middle East	2.6%	Australia and New Zealand	0.3%

Evolution of steel consumption

STEEL USE & MARKET SUPPLY

www.eurofer.eu

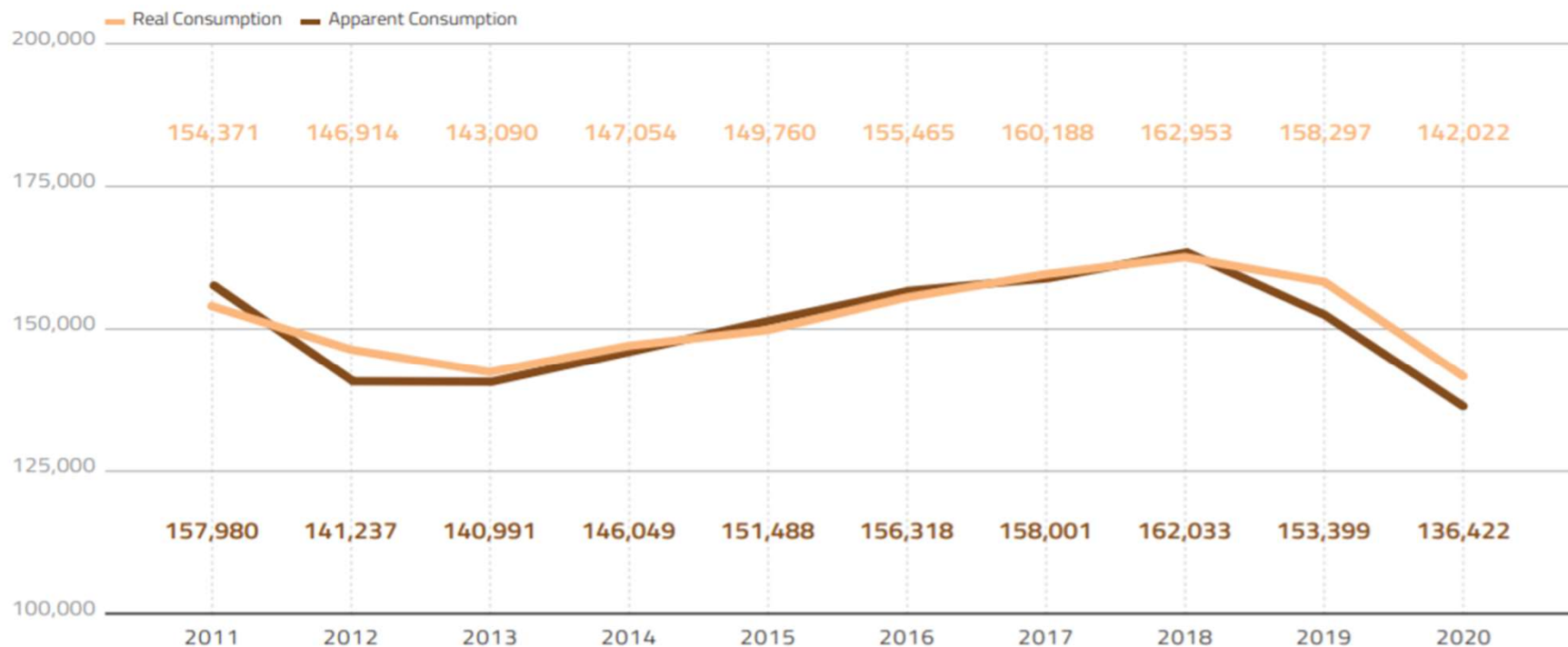
Consumption: Real & apparent steel consumption

All products, all qualities • in '000 metric tonnes

REAL VS APPARENT CONSUMPTION

GRAPH • 2011 – 2020

SOURCE: EUROFER



Data from www.eurofer.eu

2020 Breakdown of finished steel consumption in the EU-28 , by sectors

www.eurofer.eu

STEEL USE & MARKET SUPPLY

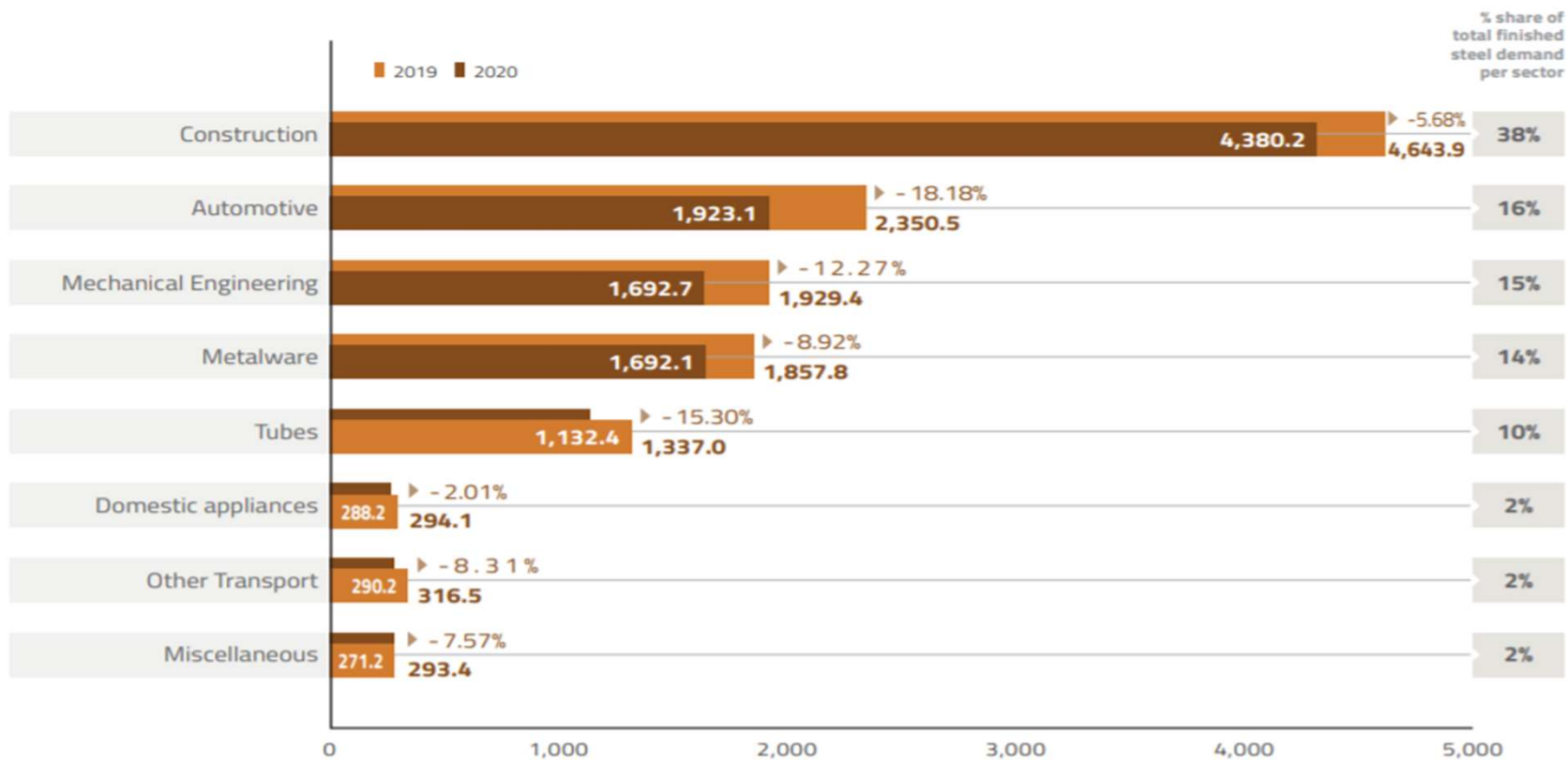
Consumption: by sector of economic activity

All products, all qualities • in '000 monthly metric tonnes

STEEL CONSUMPTION PER STEEL-USING SECTOR

CHART • 2019 – 2020

SOURCE: EUROFER



Note: Consumption by steel-using sector is calculated using the Steel-Weighted Industrial Production (SWIP) index, which is used to estimate changes in production activity in these sectors.

Data from www.eurofer.eu



Forecast 2021 – 2022

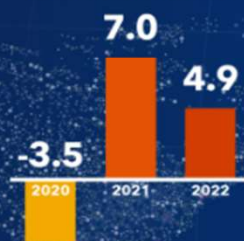
WORLD ECONOMIC OUTLOOK UPDATE JULY 2021

GROWTH PROJECTIONS BY REGION

(PERCENT CHANGE)



UNITED STATES



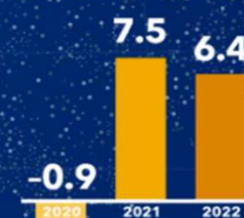
EURO AREA



MIDDLE EAST AND CENTRAL ASIA



EMERGING AND DEVELOPING ASIA



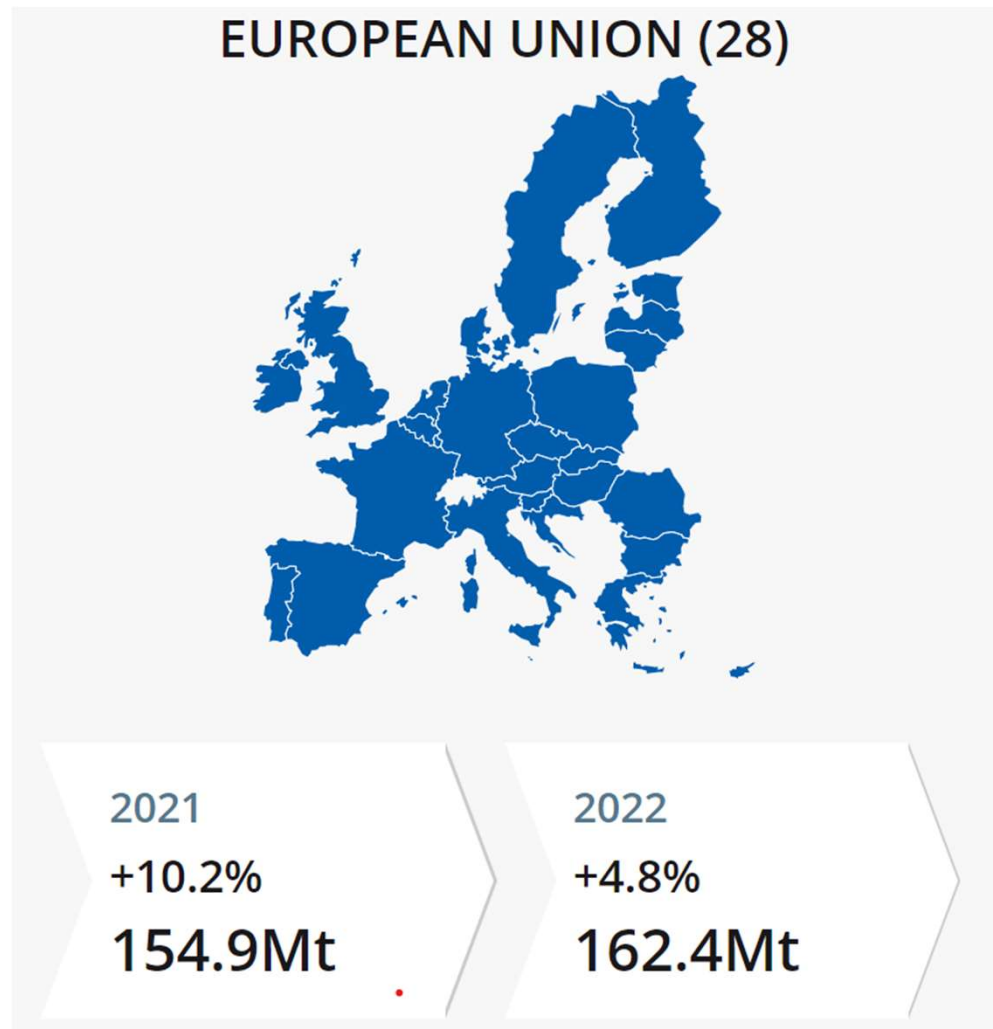
LATIN AMERICA AND THE CARIBBEAN



SUB-SAHARAN AFRICA



Steel demand, finished steel 2021-2022



Data from <https://www.worldsteel.org/>



Long term steel demand

Long Term View on Steel Demand

- Global steel demand could reach 2.2~3.0 billion in 2050

Long Term Evolution of World Steel Demand

