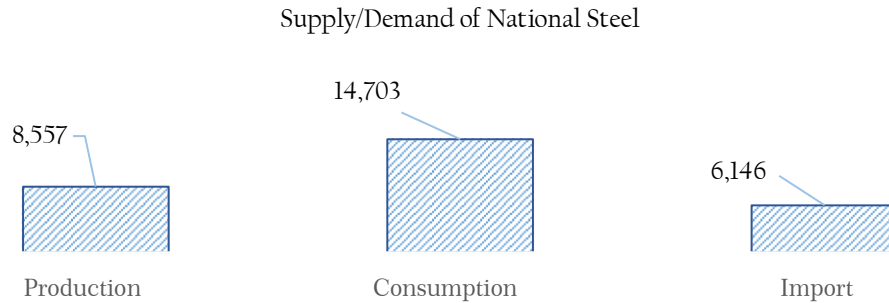




IRON & STEEL INDUSTRY

Iron and Steel Industry

Steel Industry Overview



Globally, total crude steel output reached 1.621 million tons in 2016 (increase 0.8% from previous year). The 50% of these products come from China, followed by Japan, India, the United States, Russia and South Korea.

From an economic point of view, steel is the most important base metal with a global market value of USD 225 billion per year. Indonesia total consumption of crude steel in 2016 was 14 million tons, while the total domestic production only reached 8 million tons. Therefore, to meet domestic demand, Indonesia has to import 6 million tons of steel products.

Roadmap for National Steel Industry Development

2015-2019

- Capacity of production: 12 million tons
-

The development of Iron Ore

Pellet, Sponge Iron, Pig Iron,

Nickel Pig Iron, Ferro Alloy,

2020-2024

- Capacity of production: 17 million tons
- The increasing of Production capacity: Slab, Billet, Bloom, HRC, CRC HRP
- The development of Ferro Alloy, Stainless Steel, and steel for special needs (health, security defense and automotive)

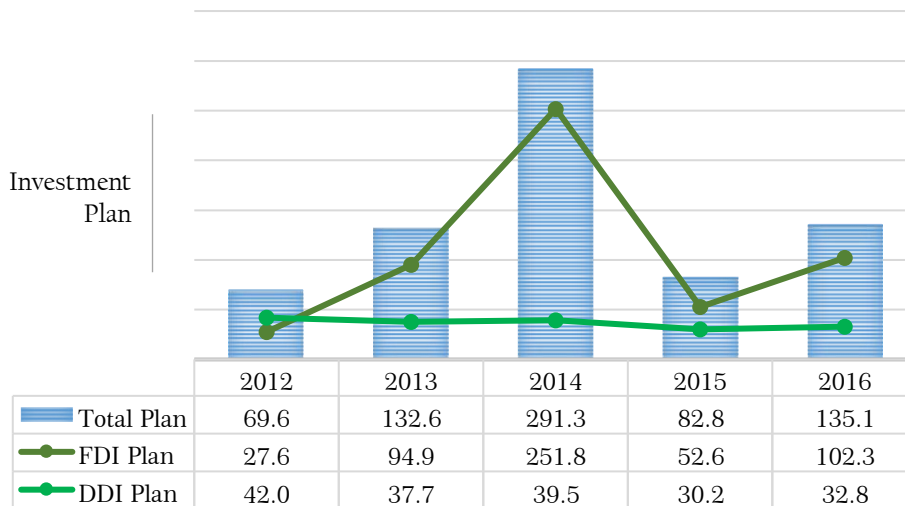
2025-2035

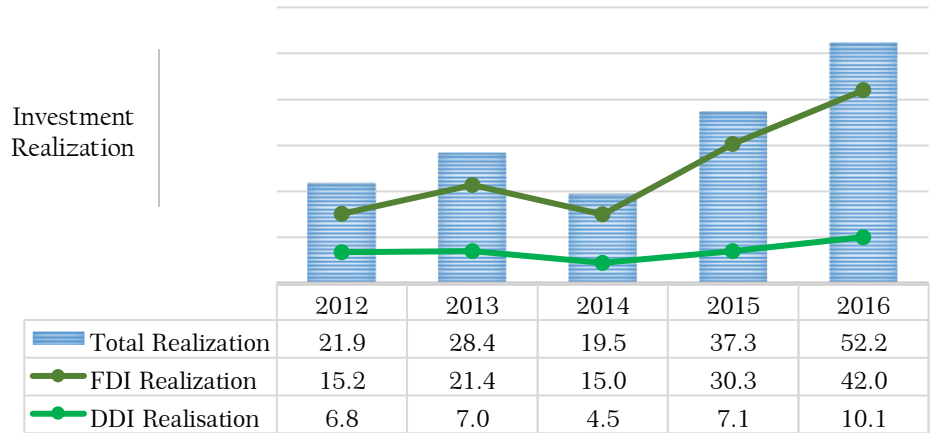
- Capacity of production: 25 million tons
- The development of Seamless Pipe, Ferro Alloy, Stainless

Source: RIPIN, Ministry of Industry and steel for special needs

Development of Investment - Steel Industry

2012-2016
(IDR Trillion)





The development of investment performance in steel industry during the last five years shows an increasing trend. Overall, the dominant business fields that become investment destination of this sector are the basic metal industry of iron and steel and the base metal industry of precious metals and other non-ferrous base metals.