

Co-host:



| Colorbond Steel

Partner:



Industrial & Logistics Sector in Vietnam: **RESILIENCE DURING UNCERTAINTIES**





Colorbond® Steel

STRATEGY TOWARDS CURRENT STEEL PRICE FLUCTUATION

NGUYEN CAO TRI

PRESIDENT – NS BLUESCOPE LYSAGHT VIETNAM



- More than **135** years of experience in world's leading provider of coated steel
- BlueScope is a **global leader** in **premium branded Coated and Painted steel products**
- The **third largest** manufacturer of painted and coated steel products **globally**
- Present > **50** years in Asia
- 3 factories, 4 office representative in Vietnam

Midstream

Colorbond®

Downstream

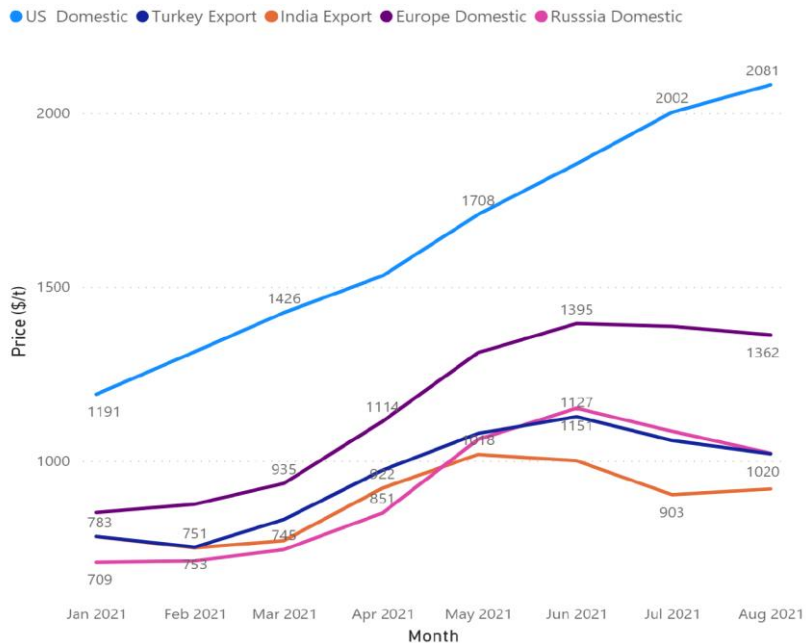
LYSAGHT



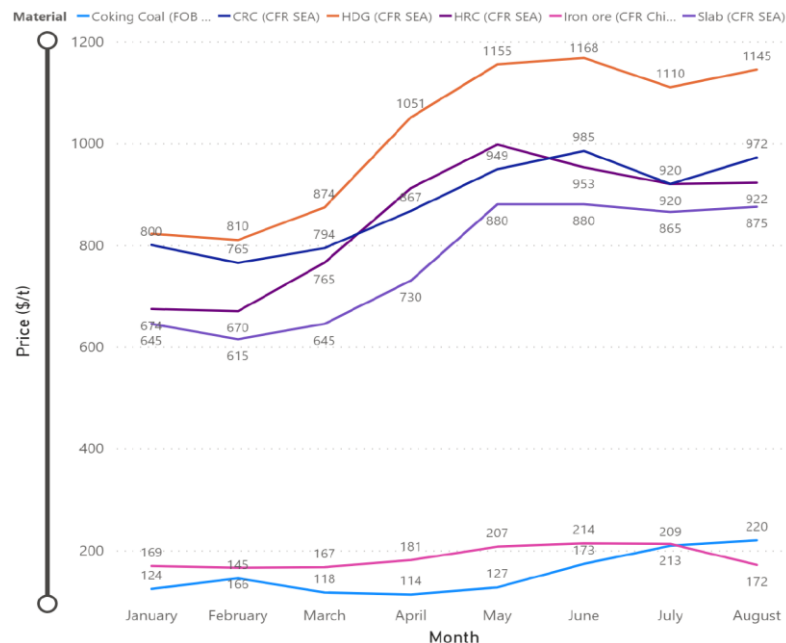
STEEL PRICE: REMARKABLE INCREASE, MAINLY DRIVEN BY SUPPLY VS. DEMAND



RECENT HRC PRICE MOVEMENT (USD)



FLAT STEEL PRICE IN ASEAN (USD)



Source: CRU, SB, MB, market information

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ASEAN STEEL PRICE: UNCERTAINTY WITH VARIOUS IMPACT FACTORS

DEMAND FACTORS – STRENGTHENING PRICE

- China: front-loaded steel purchases on the expectation of production cut in 2H 2021
- China: Central bank cutting Required Reserve Ratio (RRR) that would support steel demand
- Asean: robust export demand in Home appliances create higher sheet demand in the category

DEMAND FACTORS – WEAKENING PRICE

- Japan PMI fell to 52.4 in June. Fourth state of emergency has been announced
- SEA Higher covid cases has resulted in the reimposition, or extension, of various lockdown measures in Vietnam, Indonesia, and Malaysia
- China Local steel demand is expected to weaken amid unfolding rainy season and arriving summer heat - PMI fell by 0.2 points to 50.9 in June
- China's automobile production and sales fell by 8.7% and 5.5% mom respectively, down by 6.8% and 3.1% yoy respectively. The falls were mainly attributed to chip shortage



Source: market consolidated information

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ASEAN STEEL PRICE: UNCERTAINTY WITH VARIOUS IMPACT FACTORS (Cont.)

SUPPLY FACTORS – STRENGTHENING PRICE

- Tangshan city recent proposal of production restriction to ensure air quality for Beijing Winter Olympic
- A general guidance is that annual crude steel production in 2021 should not exceed that in 2020. According to NBS, the 2021 H1 crude steel production is 13% higher y/y. This means that, if the country were to achieve a lower or flat y/y change, CSP would have to be about 10% lower in H2 than in H1.
- Uncertainty of China to levy 20pc export tax for HRC from 1 September

SUPPLY FACTORS – WEAKENING PRICE

- High competition from India and Russia could lead to a drop in tradeable price levels
- Russia applied export tariff which led to over supply in domestic market
- Different mills in Asean and China started to offer lower price recently



Source: market consolidated information

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LOGISTIC WAREHOUSING – HIGHER STANDARD WITH DIVERSIFIED MODEL



- **Modern warehousing** with various service levels, requiring **higher standard for the building**.



- Higher industrial landing cost creates emerging demand of **multi-floors warehouse / building**



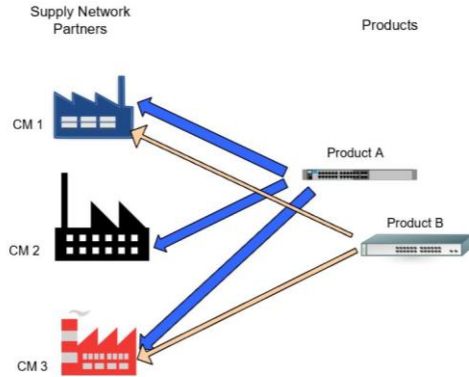
- **Sustainability factors** from the design to the material usage (UL, FM, NFPA)



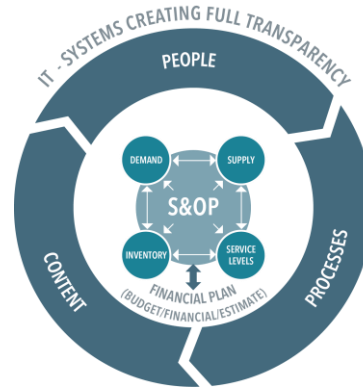
- **Ready-built warehouse**



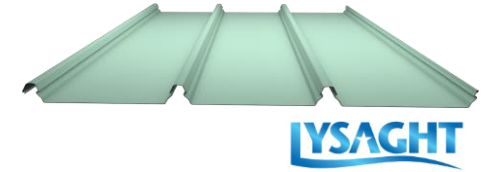
STRATEGY TOWARD STEEL PRICE FLUCTUATION



Multiple sourcing to ensure stable supply



Robust S&OP process for being agile with market changes



Alternative offers based on specific customer demands



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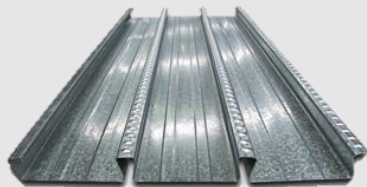


ALTERNATIVE SOLUTIONS TO MEET CUSTOMER REQUIREMENT

INNOVATION TO REDUCE COST AND FASTEN CONSTRUCTION PROCESS

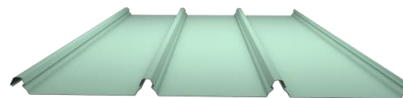
LYSAGHT® BONDEK® II

- Save cost up to **15%**
- Accelerate the construction progress by **20%**.



MORE ECONOMIC SOLUTIONS DURING THE STEEL PRICE FLUCTUATION

LYSAGHT® KLIP-LOK® & ECOLOK™



LYSAGHT® SMARTSEAM™ & ECOSEAM™



Price gap variable up to 30%



<https://www.lysaghtasean.com/vn/en/>

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THANK YOU

