

# Steel Environment

## Customer Update:

### Our commitment to you

Tuesday, 9 February 2021

#### Dear Valued Customer,

On 2nd March 2020 we wrote to you to alert you to the impact we believed the COVID-19 pandemic would have on our suppliers throughout Asia, the Middle East, parts of Europe, the Americas and closer to home in some parts of Australia.

As a result, we were concerned that steel prices in our market could rise and we suggested you take this into account when quoting work going forward while at the same time committing to continue to provide you with the best stock availability and service the market can offer.

Since then we have combatted COVID-19 by working closely together and we have been humbled by your support for our people and our businesses during these very challenging times.

**As we move into 2021, we are all continuing to experience extreme volatility, the likes of which we have not seen since the turbulent times of 2008/2009. At that time, a shortage of steel making raw materials led to steel prices almost doubling in a short space of time and then halving in a matter of months.**

Whilst the current circumstances feels similar, this time around we do not believe prices will go up as high, but the pace at which prices are moving is certainly faster than 2008. Additionally, we are unsure as to when prices will start to revert back to their historical levels, but we are watching the Chinese New Year period with interest to see how steel manufacturers and traders around the world, particularly in PRC, respond as they return to work later this month.

Once we have clarity in this regard we will update you accordingly. In the interim, we ask that you please liaise with us closely as you quote upcoming work to ensure we can support you and your business through this challenging period.

**Please feel free to call me directly, or your usual contact, if you require further clarification.**

Kind regards,



Kevin Smaller  
Managing Director  
Southern Steel Group

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