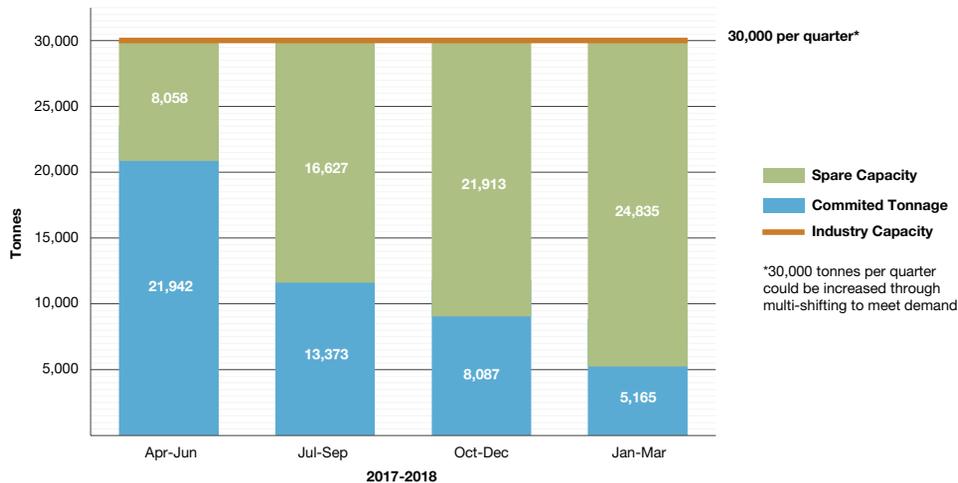


## MARKET UPDATE – 60 PER CENT SPARE CAPACITY

In the past 12 months the New Zealand structural steel sector turned approximately 100,000 tonnes of structural steel (plate, hot-rolled and hollow sections) into buildings and bridges through its network of steel distributors, fabricators and erectors.

SCNZ's recent quarterly fabricator forward-workload survey indicates there is significant spare industry capacity for the last two quarters of 2017 - estimated at 38,540 tonnes, based on a current estimated total capacity of 120,000 tonnes per annum.

SCNZ Estimated Fabrication Tonnages (per quarter)



## KEY INDUSTRY STATS

In the past two decades demand for structural steel solutions has grown substantially. Today, structural steel's share of the multi-level construction market is more than 50 per cent nationwide. In Christchurch, due to structural steel's strong seismic performance credentials, market share is over 80 per cent - up from virtually nil before the Canterbury earthquakes.

- Market share: 50 per cent nationally and 80+ per cent in Christchurch
- Annual output: circa 100,000 tonnes in the past 12 months
- Current annual capacity: estimated at 120,000 tonnes, which could be increased by multi-shifting to meet demand
- Material certification: approximately 75 per cent of steel used by New Zealand's structural steel sector is third-party certified
- Number of fabricators: 84 nationwide
- Employment: approximately 5,000 workers
- Industry investment: six new state-of-the-art workshops built since 2007
- Fabricator certification - 27 fabricators representing over 75% of the sector's annual output participate in an independent quality assurance scheme, SFC.

## WHO'S WHO IN STRUCTURAL STEEL

- **Manufacturers (steel mills)** - produce structural steel products, including hot rolled structural products (I beams and columns, channels, plate and angles) and hollow sections. (circular, rectangular and square)
  - **Merchants / distributors** - import steel for use in the construction industry. Such companies have extensive warehousing facilities to carry a large inventory required to service market needs and provide limited pre-processing of structural material prior to fabrication.
  - **Structural steel fabricators** - physically prepare the structural steel for a building or bridge through a process of developing detailed drawings (the work of a detailer) based on the construction drawings provided by a structural engineer. They are responsible for material management, cutting, drilling, shop fitting (bolting or welding), painting and galvanising (when required), and shipping.
  - **Erectors** - assemble the structural steel members into a structural frame on the project site by bolting and field welding structural steel components together according to the construction documents. In New Zealand the fabricator will typically manage the erection process of their steelwork either through the use their own rigging crews or subcontracted resource.
- For more information about who's who in structural steel, visit [scnz.org](http://scnz.org) and [steelfabcert.co.nz](http://steelfabcert.co.nz)*