

Big River Sees Expansion, Electrical Steel in its Future

Sunday, March 25, 2018 2:32 PM Written by [Tim Triplett](#)

Big River Steel sees opportunity in the convergence of two major trends in automotive: development of autonomous/electric vehicles and advanced steels. “Niche steel is a big part of what we want to do. The opportunity in electrical steel is immense,” said Big River Chief Commercial Officer Mark Bula at the S&P Global Platts Steel Markets North America conference in Chicago on Tuesday.

Big River began commercial production on its sophisticated “Flex Mill” in Osceola, Ark., in early 2017 and produced 1.3 million tons of its 1.6-million-ton capacity in its first year. The original plan for the mill outlined a multi-year phased expansion that would double capacity, but the favorable market conditions may move up the timeline. “I believe that this year will be the year we decide whether we are going to expand or not. I’d be surprised if we don’t,” Bula said.

Big River plans to enter the market for electrical steels used in production of electric motors and other devices. Most motors, like those used in the new generation of electric cars and trucks, are now produced overseas. The steelmaker hopes to attract more motor manufacturing back to the United States. “We are betting on the growth of electric vehicles and plan to focus on non-grain-oriented electrical steels,” Bula said. AK Steel is the only other major producer of electrical steels in the United States.

Much research is under way on driverless autonomous vehicles. Big River sees autonomous and electric technology converging, promising demand for electrical steels well into the future. “Over time, we believe autonomous electric vehicles will become commonplace,” Bula said.

The question is, will it be the traditional automakers or Silicon Valley companies like Google and Amazon that take the lead in developing the vehicle of the future? “Those vehicles will change the way we think about automotive design and about supplying steel,” Bula said.



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