

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, February 2005



The IISI estimates crude steel production for its 62 monthly countries to be 1035.5 million tonnes in 2004, 8.9% up on the year 2003 total of 950.8 million tonnes. All of the regions of the world showed a rise in steel production in 2004 except Oceania. The December crude steel production for the 62 rose by 11.3% to 90.4 million tonnes.

The IISI annual estimates for 97 countries were 1054.6 million tonnes in 2004, exceeding the one billion tonne total for the first time. In fact, China alone accounted for 26% of the 2004 total with the second largest producer, Japan, less than half that at only 10.7% of the total. The 25 member states of the European Union accounted for 18% of the total.

European Union

Total crude steel production for the 25 countries of the European Union was 193.5 million tonnes, 18% of the world total, and 5.2% higher than the total for 2003. Germany made 24% of the EU total at 46.4 million tonnes, an increase of 3.6% on 2003 and its highest total since 1973. This makes Germany the sixth largest steel producing country in the world, just behind South Korea at 47.5 million tonnes. Italian production, the second largest EU steel producer, rose by 5.6% to 28.3 million tonnes, its highest total ever and making it the tenth largest steel producer in the world after India. French steel production was up by 5.1% in the year to 20.8 million tonnes. Spanish steel production rose by 7.2% on the 2003 total reaching 17.7 million tonnes, its highest total ever. UK steel production increased by 6.2% to 13.8 million tonnes. The country with the largest rise in crude steel production in the European Union was Poland, up 16.9% to 10.6 million tonnes. Only Hungary and Slovakia showed a drop in steel production, down by 2.4% and 2.9% respectively.

In Turkey, the largest West European producer outside the European Union, crude steel production reached 20.5 million tonnes, an increase of 11.9% and its highest total ever. This puts Turkey in 12th place just behind France. Romanian steel production was almost flat at 5.7 million tonnes. Serbia and Montenegro, however, showed a 64% increase to 1.2 million tonnes.

Turkish exports in the first 11 months of 2004 reached 11.4 million tonnes, an increase of 10.9% on the previous year. 28% of the total was exported to just two countries, the USA and the United Arab Emirates. In fact the middle east accounted for 30% of total Turkish exports; exports to China, however, fell by 60% compared to 2003. Billets, wire rod and deformed reinforcing bars accounted for 75% of total exports.

European car registrations increased by 1.8% in 2004 compared to the previous year according to ACEA, reaching 15.3 million cars. Germany, Italy and France all showed small increases to 3.27, 2.26 and 2.0 million cars, respectively. On the other hand, the United Kingdom, the second largest market after Germany, showed a slight decrease of 0.5% to 2.57 million cars. Spanish registrations,

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on the other hand, rose by 9.8% to 1.52 million cars. These five countries accounted for 76% of the European total. After the big 5 come Belgium (485 thousand cars), the Netherlands (484 thousand cars) and Poland (318 thousand cars).

The CIS countries

The countries of the former USSR showed growth of 5.3% in crude steel production with the overall total up to 111.8 million tonnes, 10.6% of world production. Russian steel production grew by 4.6% to 64.3 million tonnes making it the fourth largest steel producer in the world, while Ukrainian production increased by 4.9% to 38.7 million tonnes, its best year since 1992 and the seventh largest steel producer. Steel production in Kazakhstan rose by 9.9% to 5.4 million tonnes.

Russia's second largest producer, Severstal, has made a binding offer for a majority stake in Lucchini, one of Italy's largest long products producers. This would give the Russian steelmaker a foothold in the Europe Union and help towards its goal of becoming a global steel producer (Metal Bulletin, 24 January).

North America

North America accounted for 12.6% of the world's total, with production in the USA, the third largest steel producer in the world, increasing by 5.2% in 2004 to 98.5 million tonnes. Canadian crude steel production reached 16.4 million tonnes, a rise of 3.1% on the previous year, while Mexican production rose by 10% to 16.7 million tonnes.

Steel imports by the USA jumped by 50% to 30 million tonnes in the 11 months of 2004 compared to the same period in 2003, and will exceed 32 million tonnes in the year, approaching China's expected total of 34 million tonnes. While Canada and Mexico accounted for 28% of the total, imports from Brazil jumped by 56% to nearly 2.9 million tonnes, and imports from Russia topped 2 million tonnes, over four times the equivalent tonnage in 2003. The next two countries on the list, Turkey and China, both showed marked increases in the tonnage imported to the USA, with the Turkish tonnage almost doubling to nearly 1.7 million tonnes, and the Chinese total more than doubling to 1.5 million tonnes. These six countries accounted for 55% of US imports in 2004.

South America

In South America, crude steel production rose by 6.9% to 46 million tonnes, 4.4% of world production. Brazilian steel production increased by 5.7% to 32.9 million tonnes, making it the eighth largest steel producer in the world, just ahead of India. Argentinian steel production rose by 1.8% to 5.1 million tonnes. Venezuelan production, on the other hand, jumped by 19.9% to 4.7 million tonnes. Chile's steel production is also growing, up by 13.9% to 1.6 million tonnes.

The Brazilian iron ore producer CVRD is seeking an unprecedented 90% increase in ore prices in the current round of price negotiations with European and Japanese steel producers (SBB, 24 January). Europe's lead negotiator, Arcelor, has declined to comment on the figure. CVRD also announced plans to invest US\$1.17 billion this year to expand mine output and increase pelletising capacity (SBB, 21 January).

Africa and the Middle East

Steel production in Africa rose by 2.1% to 16.5 million tonnes with South African production only up

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by 0.2% at 9.5 million tonnes; Egyptian production rose by 8.2% to reach almost 4.8 million tonnes. Iranian steel production showed an increase of 10.3% to 8.7 million tonnes, while Saudi Arabian steel production fell by 1% to 3.9 million tonnes. Africa and the Middle East accounted for 2.9% of world steel production.

Asia

Crude steel production in the five Asian countries rose by 13.1% to 484.6 million tonnes, 46% of world production. China strengthened its position as the largest steel producing country in the world, increasing production in 2004 by 23.2% to 272.5 million tonnes, more than double the Japanese total, and the highest annual crude steel production ever. The Chinese December total was 26.5 million tonnes, an increase of 33% on the December 2003 total, and the highest monthly total ever recorded. Japan's crude steel production rose by 2.0% to 112.7 million tonnes, its highest level since 1974. In South Korea steel production increased by 2.6% to 47.5 million tonnes in 2004, its highest level ever and making it the fifth largest producer in the world, ahead of Germany. Crude steel production in India was 32.6 million tonnes, up by 2.7% on 2003, making it the ninth largest steel producer in the world, just behind Brazil. India's steel production has more than doubled since 1990. Taiwan's production reached 19.3 million tonnes, an increase of 2.7% on 2003.

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