

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, February 2006



The IISI estimates crude steel production for its 61 monthly countries to be 1107.1 million tonnes in 2005, 5.8% up on the year 2004 total of 1046.3 million tonnes. However, China accounted for almost 32% of this total, and the total excluding China fell by 1% compared to 2004. The December crude steel production for the 61 countries rose by 3.8% to 96 million tonnes.

The IISI estimates crude steel production annually for 96 countries which was 1129.4 million tonnes in 2005, with several regions showing falling or flat production. The exceptions to this trend were the middle east and selected Asian countries.

European Union

Total crude steel production for the 25 countries of the European Union was 186.4 million tonnes, 16.5% of the world total, and 3.6% lower than the total for 2004. Germany made 24% of the EU total at 44.5 million tonnes, a drop of 4% on 2004. This makes Germany the sixth largest steel producing country in the world, just behind South Korea at 47.7 million tonnes. French steel production fell by 6.2% in the year to 19.5 million tonnes. Italian production, on the other hand, rose by 2.2% to 29.1 million tonnes, its highest total ever and making it the tenth largest steel producer in the world after Brazil. Spanish steel production rose by 0.8% on the 2004 total reaching 17.8 million tonnes, its highest total ever. UK steel production decreased by 4.1% to 13.2 million tonnes making it the lowest total since 1980 with the sole exception of 2002. Poland's annual total was down 18.7% at 8.6 million tonnes, with Belgium down 11.8% and the Czech republic down 12%. Austria was one of the few exceptions with production rising by 7.7%.

Mittal Steel has made a bid for Arcelor which, if accepted, would create the largest steel group in the world with a capacity of 127 million tpy. The bid values Arcelor at 18.6 billion euros. A spokeswoman for Mittal Steel described the bid as a merger of equals (Metal Bulletin, 27 January). Mittal Steel has offered to sell Arcelor's shares in Dofasco to ThyssenKrupp. Aditya Mittal described the bid as daring and said it would take the industry, in terms of consolidation, to the next level. It would control 61 plants in 27 countries (Steel Business Briefing, 27 January). However, Arcelor is treating the bid as hostile, and underlined the absence of discussion and consultation in advance.

In Turkey, the largest West European steel producer outside the European Union, crude steel production reached 21 million tonnes, an increase of 2.4% and its highest total ever. This puts Turkey in 11th place just ahead of France. However, Turkish steel production may have to be cut according to Metal Bulletin (26 January) as gas deliveries to Turkey have been cut by nearly 40%. The source cited Russia and Iran as being responsible for the fall in the gas supply.

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Romanian steel production fell by 5.6% to 5.7 million tonnes. Serbia and Montenegro, however, showed a 10% increase to 1.3 million tonnes.

European car registrations decreased by 0.7% in 2005 compared to the previous year according to ACEA, reaching 15.2 million cars. Germany and France showed small increases to 3.3, 2.1 million cars, respectively, while Italian registrations fell by 1.3% to 2.2 million cars. On the other hand, the United Kingdom, the second largest market after Germany, showed a drop of 5% to 2.4 million cars. Spanish registrations, on the other hand, rose by 0.8% to 1.53 million cars. These five countries accounted for 76% of the European total. After the big 5 come Belgium (480 thousand cars) and the Netherlands (465 thousand cars).

The CIS countries

The countries of the former USSR showed a decline of 0.3% in crude steel production with the overall total down to 112.9 million tonnes, 10% of world production. Russian steel production grew by 0.9% to 66.1 million tonnes making it the fourth largest steel producer in the world, while Ukrainian production decreased by 0.3% to 38.6 million tonnes keeping it just ahead of India. Steel production in Kazakhstan fell by 17.3% to 4.5 million tonnes.

North America

North America accounted for 11.2% of the world's total, with production in the USA, the third largest steel producer in the world, decreasing by 5.8% in 2005 to 93.9 million tonnes. Canadian crude steel production fell to 15.6 million tonnes, a drop of 4.5% on the previous year, while Mexican production fell by 2.7% to 16.3 million tonnes.

South America

In South America, crude steel production fell by 1.2% to 45.3 million tonnes, 4% of world production. Brazilian steel production decreased by 3.9% to 31.6 million tonnes, making it the eighth largest steel producer in the world, just ahead of Germany. Argentinian steel production, on the other hand, rose by 4.8% to 5.4 million tonnes. Venezuelan production also rose, up by 8.4% to 4.9 million tonnes. Steel production in Chile showed a slight fall to 1.5 million tonnes.

Africa and the Middle East

Steel production in Africa rose by 5.7% to 17.4 million tonnes with South African production remaining flat at 9.5 million tonnes; Egyptian production rose by 15.4% to over 5.5 million tonnes. Iranian steel production showed an increase of 8.3% to 9.4 million tonnes, while Saudi Arabian steel production was up 7.3% to 4.2 million tonnes. Africa and the Middle East accounted for 2.9% of world steel production.

Asia

Crude steel production in Asia rose by 14.8% to 583.8 million tonnes, nearly 52% of world production. China strengthened its position as the largest steel producing country in the world, increasing production in 2005 by 24.6% to 349.4 million tonnes, more than three times the Japanese total, and the highest annual crude steel production ever. The Chinese December total was 32 million tonnes, an increase of 16.2% on the December 2004 total, and the highest monthly total ever recorded. Japan's crude steel production, on the other hand, fell very slightly

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to 112.5 million tonnes. In South Korea steel production increased by 0.3% to 47.7 million tonnes in 2005, its highest level ever and making it the fifth largest producer in the world, ahead of Germany. Crude steel production in India was 38.1 million tonnes, up by 16.7% on 2004, making it the eighth largest steel producer in the world, just behind the Ukraine. India's steel production has almost doubled since 1994. Taiwan's production fell to 18.5 million tonnes, a decrease of 5.2% on 2004. Elsewhere in Asia, Malaysian steel production rose by over 10% to 6.3 million tonnes, while Thailand's production was up 17% to 5.3 million tonnes.

After starting the year as a net steel exporter, China became a net importer again from July; however, December's trade swung back to net exports, bringing the year's total exports at 27.6 million tonnes just higher than total imports. According to the China Iron and Steel Association this is likely to continue in 2006 as steelmaking capacity significantly outstrips domestic demand. In 2005 74% of China's exports went to other Asian countries, with a further 8% to the USA and 5% to the European Union. In contrast, Japanese steel exports fell by over 2 million tonnes with 84% going to other Asian countries.

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