

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, April 2016



Total crude steel production for the 66 countries reporting to the World Steel Association in February 2016 was estimated to be 120 million tonnes, a decrease of 3.3% on February 2015. The total for the two months to date in 2016, however, was 5.2% down on the same period in 2015 at 247 million tonnes. Excluding China, global crude steel production decreased by 2.7% in February and by 4.8% in the two months. Only the CIS, Other Europe and North America showed an increase in steel production in February. All regions showed a decline in steel production in the year to date apart from Other Europe.

In the European Union, crude steel production by the 28 fell by 6.3% in February, and by 7% to 26.5 million tonnes in the two months to date compared to the same period last year. German crude steel production was down 4.3% in February, and by 3.1% in the year to date to 7 million tonnes. Production in Italy decreased by 2.1% in February, while the two months total fell by 3.7% to 3.7 million tonnes. French monthly production, however, increased by 2.6%, increasing the year to date total by 2.3% to 2.6 million tonnes. In Spain steel production dropped by 8.9% in February, and by 9.2% in the two months to 2.2 million tonnes, while in Poland it fell by 13.3% in both the month and year to date to less than 1.4 million tonnes. The United Kingdom year to date total was down 40% to 1.2 million tonnes behind both Austria and Belgium.

The balance of trade by the 28 European Union countries has been negative since May 2015, although the data are only complete up to December. Imports from non EU countries in October was 3.8 million tonnes which was the highest monthly total ever with 29%, or 1.1 million tonnes, coming from China. There was a marked increase in imports from China in the last four months of 2015, an increase of 76% compared to the same four months in 2014. Italy was by far the largest importer from China in the last four months of 2015 accounting for 34% of total EU imports at 1.25 million tonnes. Belgium and Spain were the next largest importers in the last four months at 741 and 624 thousand tonnes respectively. Hot rolled wide strip and zinc coated sheet were the largest products imported at 744 and 693 thousand tonnes, respectively, followed by cold rolled sheet and hot rolled plate. These four products accounted for 69% of EU imports from China in the last four months of 2015.

Crude steel production in Turkey in February, on the other hand, was up 4% with the year to date total up 2.3% to 5 million tonnes. Bosnian steel production fell by 6.1% in the year to date to 144 thousand tonnes. Serbian steel production dropped by 23% in the year to date to 107 thousand tonnes.

ACEA, the European car manufacturers association, reported that car registrations in Europe rose by 14% in February, and the year to date total increased by 10.1%, to almost 2.2 million cars. German registrations were up 12% in February and 7.8% in the two months at 469 thousand cars, while French registrations rose by 13% in the month and by 8.7% in the two months to 305 thousand cars. The Italian February total, however, jumped by 27% and the year to date was up by 22.6% to 328 thousand cars, while in the UK the February total increased by 8.4% and the two months total was up by 4.7% to 253000 cars. The Spanish two months total was 12.4% higher at 174000 cars, while the Belgian total rose by 2.4% to 94 thousand cars. These six countries accounted for 74% of total registrations in Europe in 2016.

In the CIS crude steel production increased by 2.8% in February, while the year to date total was down just 1.8% at 16.2 million tonnes. Russia's monthly total fell by 2.7%, while the two months were down 6.7% at 11.2 million tonnes. Ukrainian steel production, however, rose by 24% in February, bringing the year to date total to 3.9 million tonnes, an increase of 13%. In Kazakhstan the two month crude steel production total rose by 28% to 629 thousand tonnes, while in Belarus steel production fell by 25.5% to 308 thousand tonnes.

Turning to North America, US crude steel production rose by 2.9% in February, but was down by 4.6% in the year to date to 12.8 million tonnes. Mexican steel production fell by 10.3% in the month, and by 11.8% in the two months to date to 2.7 million tonnes. Canadian production, on the other hand, rose by 17.3% in February, and by 11.8% in the year to date to 2.2 million tonnes.

In South America, there was an 8.7% decrease in Brazilian crude steel production in February, with the year to date total down 13.7% at 4.9 million tonnes. Argentinian production dropped 10.1% in the month and 12.4% in the two months to 668 thousand tonnes. Venezuelan steel production, on the other hand, was 22.3% down in February and by 15.9% in the year to date to 229 thousand tonnes. Production in Chile rose by 2.3% in the two months to 197 thousand tonnes, while the Peruvian total increased by 3.3% to 174 thousand tonnes. Colombian steel production fell by 8.8% in the year to date at 146 thousand tonnes.

South African crude steel production in February decreased by 19.5%, while the year to date total was down by 17.3% to one million tonnes. Egyptian steel production, however, fell by 38.5% in February and by 37.3% in the two months to 747 thousand tonnes. Production in Iran fell by 3.4% in February, and by 1.8% in the year to date to 2.7 million tonnes, while in Saudi Arabia steel production was 26.3% down in February and 27.4% down in the two months to 775 thousand tonnes. On the other hand production in the United Arab Emirates in the two months rose by 21.9% to 537 thousand tonnes.

Crude steel production in the Far East varied in the 5 major countries. Chinese production decreased by 4% in February, and was down by 5.7% in the two months to 121 million tonnes. Japanese production was 1% down in February and 1.9% down in the year to date to 17.1 million tonnes. Indian steel production fell by 3.6% in February, and by 2.4% in the year to date to 14.4 million tonnes. South Korean steel production, however, increased by 5% in the month, bringing the year to date total down by just 0.1% to 11 million tonnes. Taiwanese production fell by 15.6% in February and by 17.6% in the two months to 3.1 million tonnes.

Chinese exports of steel in February 2016 dropped to 8.1 million tonnes, its lowest figure since March 2015, with over 60% recorded as alloy steel. In fact of the 17.7 million tonnes exported in 2016, 31% was alloy hot rolled bars and a further 13% was alloy hot rolled wide strip. Alloy rod in coil was the third largest export in 2016 followed by hot dipped galvanised sheet.

P G Hunt
ISSB Ltd