

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, May 2008



World production of crude steel in March 2008 rose by 5.8% to 119.5 million tonnes, the highest monthly total in over 15 years. The total of the 3 months to date was 340.7 million tonnes, 5.6% higher than the January to March period in 2007. However, excluding China, the total for the quarter was only 4% up on 2007.

Crude steel production in the European Union 27 fell by 2.3% in March to 18.6 million tonnes compared to March 2007, and was 1.3% down in the quarter at 53.3 million tonnes. German steel production was flat in March, and fell by 2.1% in the three months to 12.1 million tonnes. Italian production decreased by 4.2% in March, and by 0.7% in the quarter to 8.3 million tonnes. French steel production dropped by 11.4% in March, bringing the year to date total down 7.5% to 4.9 million tonnes. Spanish steel production decreased by 4% in March, although it rose by 3% in the three months to 4.7 million tonnes. UK steel production showed a slight increase of 0.7% in March, but was flat in the year to date at 3.6 million tonnes. Among the newer members of the European Union Poland showed a fall of 1.9% in the month and 4.4% in the quarter; the Czech Republic, however, was up 2.3% in the month, and 1.2% up in the quarter.

Outside the European Union, Turkish production increased by 7.5% in March, and by 10.1% in the three months to 6.9 million tonnes. Production in Serbia rose by 13.9% in the month, and by 15.1% in the quarter to 496 thousand tonnes compared to 2007.

According to ACEA, the European vehicle manufacturers association, car registrations in the 28 European countries monitored fell by 9.5% in March, and by 1.7% in the first three months of 2008 compared to 2007. Italian registrations were down 18.8% in March, with the quarter total down by 10% to 664 thousand units. In Germany, however, there was a decrease of 14.4% in March, but an increase of 2.6% in the three months to 736 thousand units. UK registrations showed an increase of 0.5% in March, although the year to date total was down 0.7% to 683 thousand units. French registrations showed a drop of 0.5% in the month, while the year to date total increased by 1.3% to 526 thousand units. In Spain registrations showed a large drop of 28% in March, bringing the quarter total down 15.3% to 348 thousand units. In contrast some of the newer EU members showed a marked increase in the quarter: Poland's total was up by 19.5%, Romania was up 23.6%, Hungary was up by 3.5%, and the Czech Republic total increased by 9.7%.

In the former USSR, Russia showed an increase in steel production, up by 7.2% in the month and by 5% in the quarter to 19.2 million tonnes. In the Ukraine production only increased by 3.9% in the month, and by 3.6% in the quarter to 11.0 million tonnes. Production in Kazakhstan showed a 10% drop in March, with the three months total down by 12.2% to just under 1 mt.

Crude steel production in the USA was 8.5 million tonnes in March, an increase of 2.1%, bringing the first quarter total up 7.9% to 25.4 million tonnes. Mexican production increased by

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5% in the month, with the three months total up 4.4% to 4.5 million tonnes. Canadian steel production was close behind rising by 4.8% in March and by 7.5% in the year to date to 4.4 million tonnes.

South America is dominated by Brazil where steel production increased by 6.3% in March with the year to date 8.1% higher at 8.6 million tonnes. In Argentina production was 6.9% up in the month bringing the year to date to 1.4 million tonnes, an increase of 11.4% on the first quarter of 2007. Venezuelan steel production, on the other hand, fell by 7% in March, and by 3.5% in the three months to under 1.3 million tonnes.

In Africa, the South African three month total fell by 3.6% to 2.2 million tonnes, while the Egyptian total jumped by 23.7% to 1.8 million tonnes. In the Middle East Iranian steel production rose by 8.6% in March, although the first quarter total was down 2.5% to 2.5 million tonnes, while Saudi Arabian steel production increased by 24% in March, bringing the three months total to 1.3 million tonnes, an increase of 21.9%.

The five major Asian countries for which monthly crude steel production data are available showed increased production in both March and the year to date except for South Korea. Chinese steel production continues to rise with an 11.5% increase in March and 8.6% in the quarter to 124.9 million tonnes, more than twice the Japanese and US totals added together. Japan's production rose 5.1% in March, with first quarter production up by 4.4% to 30.8 million tonnes. Indian steel production in March was only 2.2% higher, with the three months total up 6.1% to 14.3 million tonnes, ahead of both Germany and South Korea. Production in South Korea decreased by 1.4% in March, with the year to date up 5% to 13.2 million tonnes. Taiwanese production rose by 12.2% in the month, bringing the first quarter total to 5.7 million tonnes, a rise of 11.5% on January to March 2007.

Chinese exports of steel in March rose by one million tonnes from the low February total to 4.1 million tonnes, just below the January total. There were significant increases in the export of hot rolled plate and hot rolled wide coil, and the tonnage of hot rolled bars exported more than doubled to its highest monthly total ever at over 450 thousand tonnes. The huge increase in bar exports was in alloy bars which accounted for 83% of the bar exports in the first 3 months of 2008. Far Eastern countries accounted for 78% of China's hot rolled bar exports, 84% of China's hot rolled plate exports, and 90% of its hot rolled coil exports.

Chinese imports of iron ore have been rising and reached a peak of 38.2 million tonnes in February 2008. China buys over 80% of its iron ore from 3 countries: Australia, India and Brazil, and in the first 3 months of 2008 Australia supplied 38% of the total imported, with an average value of about US\$100 per tonne, followed by India supplying 23% at about US\$160 per tonne, and then Brazil which supplied 22% at about US\$136 per tonne. The remainder of China's iron ore imports was supplied by a further 28 countries.

Chinese imports of steel also rose in March 2008 to over 1.5 million tonnes, reaching their highest level since April 2007. Coated sheet and strip accounted for 27% of the total imported at 417 thousand tonnes, followed by CR at 389 thousand tonnes, 25% of the total. Three countries accounted for 84% of total steel imports in 2008: Japan, South Korea and Taiwan.

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