

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, May 2009



World production of crude steel in March 2009 fell by 23.5% to 91.7 million tonnes, although this was a higher monthly total than the previous 4 months. The total of the 3 months to date was 263.7 million tonnes, 22.8% lower than the January to March period in 2008. However, excluding China, the total for the quarter was 37% less than Q1 2008, with the monthly total down 37.6%. All regions show a fall in crude steel production in both March and the year to date.

Crude steel production in the European Union 27 fell by 45.3% in March to 10.3 million tonnes compared to March 2008, and was 43.8% down in the quarter at 30.2 million tonnes. German steel production was 50% down in March, and 39.4% down in the three months to 7.3 million tonnes. Italian production decreased by 42.7% in March, and by 40.9% in the quarter to 4.9 million tonnes. French steel production dropped by 36.7% in March, bringing the year to date total down 39.7% to 2.9 million tonnes. Spanish steel production decreased by 41.2% in March, and by 42.7% in the three months to 2.8 million tonnes. UK steel production showed a drop of 43% in March, and 43.7% in the year to date to 2.1 million tonnes. Romania showed the largest fall at 67.8% in the month and 66.3% in the quarter; with Belgian production down 60.2% in the month, and 72% in the quarter.

Outside the European Union, Turkish production decreased by 24.5% in March, and by 20.6% in the three months to 5.5 million tonnes. First quarter production in Switzerland fell 30.3% to 256 thousand tonnes, and in Serbia it fell by 61% to 193 thousand tonnes compared to Q1 2008.

According to ACEA, the European vehicle manufacturers association, car registrations in the 28 European countries monitored fell by 9% in March, and by 17.2% in the first three months of 2009 compared to 2008. In Germany, presumably due to the car scrapping incentive scheme, there was an increase in registrations of 40% in March, pushing the three month total up 18% to 868 thousand units. Italian registrations were flat in March, with the quarter total down by 19% to 539 thousand units. French registrations showed an increase of 8% in the month, although the year to date total was down by 3.9% to 505 thousand units. UK registrations dropped by 30.5% in March, bringing the year to date total down 29.7% to 480 thousand units. In Spain registrations showed a large drop of 38.7% in March, bringing the quarter total down 43% to 198 thousand units. In Poland, the largest of the East European countries, registrations rose by 2.5% in March, and by 1.3% in the three months to 88 thousand units. However, Romania's three month total was down 60.7%.

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In the former USSR, Russia showed a decrease in steel production of 30.9% in the month and 33% in the quarter to 12.9 million tonnes. In the Ukraine production fell by 38.5% in March, and by 37.9% in the quarter to 6.8 million tonnes. Production in Kazakhstan showed a 22.6% drop in March, with the three months total down by 20% to 865 thousand tonnes.

While exports from both Russia and Ukraine in the first two months of 2009 were down, 19.2% for Russia and 24.7% for the Ukraine, monthly exports have actually picked up from the low point in November 2008. Semis accounted for just under half of Russia's exports in 2009, and just over half of Ukraine's exports.

Crude steel production in the USA was just 4.1 million tonnes in March, a decrease of 52.7%, bringing the first quarter total up 52.5% to 12.1 million tonnes. Mexican production fell by 51.2% in the month, with the three months total down 49.1% to 2.4 million tonnes. Canadian steel production dropped by 55% in March and by 55.4% in the year to date to 1.9 million tonnes.

US imports of steel in February dropped to their lowest level since October 1995 at just under 1.5 million tonnes. Seamless and welded tubes in particular showed a sharp drop compared to recent months. Imports of semis have also dropped off markedly. US exports have also fallen significantly, down 34% to 613 thousand tonnes compared to February 2008, and the lowest monthly export total since September 2004. 74% of exports went to Canada and Mexico with a further 10% going to other Central and South American countries, which is a similar percentage as in previous years.

South America is dominated by Brazil where steel production decreased by 41.5% in March with the year to date down 42% at 5.0 million tonnes. In Argentina production was 49.5% down in the month bringing the year to date to 798 thousand tonnes, a fall of 41.7% on the first quarter of 2008. Venezuelan steel production, on the other hand, actually rose by 63% in March, and by 19.6% in the three months to over 1.1 million tonnes.

In Africa, the South African three month total fell by 26.9% to 1.6 million tonnes, while the Egyptian total fell 26.2% to 1.3 million tonnes. In the Middle East Iranian steel production rose by 14% in March, bringing the first quarter total up 17.9% to 2.9 million tonnes, while Saudi Arabian steel production decreased by 5.3% in March, bringing the three months total down 26.5% to 938 thousand tonnes.

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 China. Chinese steel production was very slightly down in March at 45.1 million tonnes, while the three months total rose by 1.4% to 127.4 million tonnes, 48% of the world total in 2009. Japan's production fell by 46.7% in March, with first quarter production down 42.9% to 17.6 million tonnes. Indian steel production in March was 7.5% lower, with the three months total down 7.9% to 13.2 million tonnes. Production in South Korea decreased by 21.2% in March, with the year to date total down 22.9% to 10.5 million tonnes. Taiwanese production fell by 21% in the month, bringing the first quarter total to 4.2 million tonnes, a drop of 23.2% on January to March 2008.

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Chinese exports of steel actually rose slightly in March to 1.6 million tonnes, although this was still below the January total of 1.9 million tonnes. Imports, however, jumped to over 1.7 million tonnes, the highest monthly total since March 2006, and making China's balance of trade negative for the first time since November 2005. The large rise in imports was due in part to the jump in the imports of semis, 465 thousand tonnes, which was almost double the amount imported in the whole of 2008. Some 900 thousand tonnes of semis were imported in the first three months of 2009 of which 91% were low carbon billets and slabs. They came primarily from Russia, Taiwan, South Korea and Mexico, which together accounted for 80% of the total. Most Chinese imports rose in March compared to February, with CR at 318 thousand tonnes and HR wide coil at 287 thousand tonnes.

Japanese exports in March 2009 jumped by 38% to 2.5 million tonnes compared to February 2009, although they were still a third down on the same month in 2008.

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