WORLD STEEL REVIEW
Iron & Steel Statistics Bureau, June 2005

Production of crude steel for the countries reporting to the IISI in April was estimated to be 92.4 million tonnes, an increase of 8.3% over April 2004. The total of the 4 months to date was 360.4 million tonnes, 7.4% above the January to April period in 2004. Excluding China, which accounted for 29% of world production in 2005, the rise in April was only 2.2%, with the four months total only up by 1.5%. Global trade in steel topped 360 million tonnes in 2004 (including internal EU trade), almost 11% higher than in 2003. Japan remains the largest steel exporter followed by Russia, the Ukraine and Germany. China has jumped from 12th place to 5th in 2004. In the first 3 months of 2005, however, China exported almost as much steel as Japan at over 8 million tonnes.

In the European Union 25, crude steel production actually fell by 3.2% in April to 15.9 million tonnes compared to April 2004, and by 0.1% in the 4 months to date to 64.5 million tonnes. Monthly production in Germany rose by 1% in April, although the January to April total was flat at 15.5 million tonnes. Italian crude steel production, however, jumped by 11.8% in April, and by 8.6% in the year to date to 10.2 million tonnes. French production, on the other hand, fell by 5.6% in the month, and by 3.6% in the four months to date to 6.8 million tonnes. Spanish production showed a marked decline of 26.2% in April, with the year to date down 2% to 5.6 million tonnes. In the UK, production fell by 1.3% in April, bringing the 4 months total down 2.8% to just under 4.5 million tonnes. Polish steel production also showed a marked decrease, falling by 29% in April, with the year to date down 17.5% to 2.9 million tonnes. In the Czech Republic, production was down by 8.8% in the month, and by 8.2% in the four months to 2.2 million tonnes.

Eurofer is forecasting a slight decline in European steel consumption in 2005, the first annual decline for 3 years (Steel Business Briefing, 26 May). This reflects the low rate of improvement in domestic demand, particularly in construction. Eurofer also said imports were increasing and taking a greater share of apparent consumption.

In the rest of Europe Turkish production increased by 4.2% in April and by 1.3% in the four months to 6.7 million tonnes. Romanian steel production increased slightly in the year to date to nearly 2.1 million tonnes.

New car registrations in Europe fell by 0.9% in April compared to the previous April, according to ACEA, the European Car Manufacturers Association, with the four months total down by 2.6% to 5.35 million cars. Registrations in Germany, the largest market, were up 4.1% in April, but down by 0.2% in the year to date to just under 1.1 million. The UK, with the second largest market, saw registrations fall by 4% in April, with the four months total down 6.6% at 881 thousand cars. Italian registrations fell by 6.4% in April, with a decrease in the year to date total of 5.6% to 836 thousand. In France, on the other hand, registrations increased by 12.2% in April, and by 5.9% in the year to date to 721 thousand cars.

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Crude steel production in the CIS countries was 7.3% up in April, with Russian production up by 10.9%, and up by 4.7% in the year to date to 21.8 million tonnes. Ukrainian steel production increased by 4% in April, with the year to date total flat at 13.0 million tonnes. Kazakhstan's steel production fell by 8.3% in April, and by 28.6% in the four months to 1.3 million tonnes.

On the North American continent US steel production was 1.6% down in April, bringing the year to date up 0.6% to 32 million tonnes. Canadian steel production was slightly up in April, although the four months total was down 2.3% to 5.3 million tonnes. Mexican steel production, on the other hand, increased by 1.3% in April, with the year to date up 0.3% to 5.5 million tonnes.

US imports rose by 24% in the first 3 months of 2005 compared to Q1 2004 to 7.8 million tonnes. While imports of semis only increased by 19% to 1.7 million tonnes, hot rolled wide coil imports jumped by 55% to 1.1 million tonnes. Although Canada, Mexico and Brazil are still the largest suppliers, exporting over 3 million tonnes in the first quarter (39%), both China and Russia significantly increased their exports to the USA. In the case of China the major products were wire rod, tubes and galvanised steel; Russia's main exports were semis, hot rolled wide coil and cold reduced sheet.

Crude steel production in South America showed an increase with Brazilian production up 3.5% in April and 0.5% in the year to date to 10.7 million tonnes. Steel production in Argentina jumped by 13.1% in April, bringing the four months total to nearly 1.8 million tonnes, a rise of 8.3%. Venezuelan production was 30% up in April, with the year to date up 4.1% at 1.5 million tonnes.

In Africa and the Middle East, South African production rose by 4.1% in April, with the year to date up 4.6% to 3.2 million tonnes. Egypt's steel production jumped by 28% in April bringing the four months total to 1.8 million tonnes, a rise of 20.7%. Iranian production increased by 7.2% in the month, with the year to date up 11.9% to over 3 million tonnes.

Turning to the Far East, China's steel production increased by 25.4% in April and by 24.8% in the four months to 105.9 million tonnes. Japanese crude steel production grew by 3.3% in April, with the January to April total up 1.3% to 37.2 million tonnes. South Korean production was down 0.8% in April with the year to date total at 15.7 million tonnes, 0.6% up on the same period in 2004. In India, however, production showed a marked rise of 21.5% in April, bringing the four months total up by 10.7% to 11.8 million tonnes, above Brazil and Italy's year to date totals. Crude steel production in Taiwan rose by 2% in April and by 1.4% in the four months to date to 6.6 million tonnes.

Chinese exports of steel have grown considerably over the last few months reaching 8.1 million tonnes in the first 3 months of 2005. 6 million tonnes, some 74%, went to other Far East countries with almost 2 million tonnes going to South Korea alone. Although the tonnage from South Korea's other major supplier, Japan, did fall by 16% the decline did not compensate for the huge rise from China. China's next largest export customers were Taiwan at 925 thousand tonnes (more than 5 times the previous year's figure) and Thailand at 857 thousand tonnes (13 times the 2004 equivalent). Almost 3 million tonnes, or 37%, of Chinese exports in Q1 2005 were ingots, blooms, billets and slabs, with a further 1.2 million tonnes (15%) being hot rolled wide coil. Exports of wire rod (870 thousand tonnes) accounted for 10.7% of the total.

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