

## **WORLD STEEL REVIEW**

### **Iron & Steel Statistics Bureau, July 2007**



Production of crude steel for the 67 countries reporting to the IISI in May was estimated to be 112.2 million tonnes. This was 6.4% above the May 2006 total, and the year to date was 9.1% higher than the total for the same period in 2006 at 540 million tonnes. Excluding China, however, the May increase was only 1.6% and the 5 months total only increased by 3.8%.

In the European Union crude steel production for the 27 decreased by 0.5% in May to 18.4 million tonnes compared to May 2006, although the five months to date rose by 3.4% to 90.4 million tonnes. German steel production was up 0.8% in May, bringing the year to date total to 20.5 million tonnes, 5.8% up on the previous year. French production was down by 0.8% in May, while the year to date total was up 0.7% to 8.9 million tonnes. Italian steel production also decreased in May, down 1.8%, although the five months total was 3.1% up to 13.9 million tonnes. Spanish production fell in May by 6%, but rose by 1.9% in the year to date to 7.8 million tonnes. In the United Kingdom steel production was up 3.7% in May, and by 3.2% in the five months to 6.1 million tonnes. Polish production increased by 9.3% in May, with the year to date up 14.8% to 4.5 million tonnes. The other major West European steel producer, Turkey, showed a 15.1% rise in production in May, bringing the year to date total up 13.8% to almost 10.6 million tonnes, making it the third largest steel producer in Europe.

Imports of steel by the EU27 from outside the region rose to 13.1 million tonnes in the first quarter of 2007. This has been steadily growing throughout 2006, changing the balance of trade from a positive 0.6 million tonnes in Q1 2006 to a negative of 5.1 million tonnes in Q1 2007. China accounted for the largest increase in imports in Q1 2007 at 2.7mt, more than 4 times as large as they were in Q1 2006. Imports from Russia were up 21% to 2.2mt, with the Ukraine at 1.5mt, up 37%, and Turkish imports up 32% at 1.2mt. These four countries accounted for 58% of total EU27 imports in Q1 2007. Exports dropped by 8% to just under 8 million tonnes in Q1 2007. Although the USA remained the EU's largest market, exports fell by 33% compared to Q1 2006 to 1.15 million tonnes. Exports to Turkey, its second largest market, rose very slightly to just over one million tonnes.

According to ACEA, the European car manufacturers association, car registrations were down 1.6% in May, with the five months total down 0.6%. German registrations were almost 10% down in the year to date to 1.28 million cars. Registrations in Italy, on the other hand, were 6% up in the first five months to nearly 1.2 million cars. UK registrations increased by 2.2% in the year to date to 1.04 million cars. The French and Spanish totals were down 2.4% and 1.6% respectively. In terms of car production, Germany accounted for 34% of the European total in Q1 2007, an increase of 7.2% on Q1 2006. France was the second largest producer, accounting for 15.6% of the total, although the Q1 figure was 7.7% down on Q1 2006. Spain was the third largest producer at 13.4% of the total, an increase of 8.4% on Q1 2006.

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For further information please contact: Phil Hunt Tel: +44 (0) 20 7343 3916 Fax: +44 (0) 020 7343 3903  
e-mail: [tradeadmin@issb.co.uk](mailto:tradeadmin@issb.co.uk) website: [www.issb.co.uk](http://www.issb.co.uk) or write to:  
Publications Dept, Ref: SOTN, ISSB Limited, 1 Carlton House Terrace, London, SW1Y 5DB, England

Russian crude steel production was 6.3 million tonnes in May, 1.9% higher than in May 2006; while the year to date total was 5.7% up at 30.8 million tonnes. Ukrainian monthly production increased by 3.3%, bringing the five months total to 17.9 million tonnes, an increase of 10.1%. In Kazakhstan the year to date total was 13.2% up at 1.9 million tonnes.

Russian exports of steel rose by 13% to 8.2 million tonnes in Q1 2007. Its largest market was Iran, taking 1.2 million tonnes, which was mostly slabs. Turkey was its next largest market taking nearly one million tonnes, of which the largest export was also slabs followed by hot rolled wide coil.

On the North American continent US crude steel production fell by 6.2% in May, and by 4.8% to 40.1 million tonnes in the year to date. Canadian steel production was down by 22.5% in the month, and by 22.7% in the five months to 5.1 million tonnes. Mexican steel production, on the other hand, increased by 13.9% in May, and by 9.6% in the year to date to 7.3 million tonnes.

US imports of steel fell by 22.4% in the first four months of 2007 to 10.8 million tonnes. Imported semis dropped by 36% to 2 million tonnes, and imported hot rolled coil was also down 36% to 1.1 million tonnes. Wire rod imports dropped by 50% to 630 thousand tonnes. However, imports of welded tubes increased by 20% to 1.7 million tonnes. US imports of steel from Canada, its largest supplier, rose by 11.4% to 2.1 million tonnes, and imports from China rose by 14% to 1.5 million tonnes. However, imports from the European Union fell by 37% to 1.4 million tonnes, and imports from the CIS fell by 40% to less than one million tonnes.

Crude steel production in the South American countries was very mixed, with Brazilian production rising 16.2% in May, and by 12.4% in the year to date to 13.6 million tonnes. Venezuelan steel production was also up by 17.5% in the month, bringing the five months total to 2.3 million tonnes, an increase of 8.4%. In Argentina, however, the monthly total fell by 9.6%, while the year to date total was down by 8.1% to 2.1 million tonnes.

While Brazilian steel production showed a substantial rise, steel exports fell by 15% in the first four months of 2007 to 3.9 million tonnes. Exports of semi-finished steel fell by 17%, while exports of hot rolled coil were down 21% and CR was down 20%. These three products accounted for 65% of Brazilian exports in 2007.

In Africa, Egyptian steel production rose by 6.9% in the year to date to 2.6 million tonnes. South African production, however, fell by 3.2% in the five months to 3.8 million tonnes. In the Middle East, Iran showed a 0.6% increase in steel production in the year to date total to 4.1 million tonnes. Saudi Arabian steel production rose by 5.5% in the year to date to 1.8 million tonnes.

Turning to the Far East, Chinese steel production rose by 15.7% in May, bringing the year to date up 20% to 195.6 million tonnes, almost 4 times the Japanese total. Japan's May production increased by 2.6%, making the year to date total 49.4 million tonnes, an increase of 4.6%. Crude steel production in South Korea was 6.3% up in the month, reaching 21.3 million tonnes in the five months, a rise of 8.2% on the previous year. India's production showed a rise in May of 2.8%, with the year to date total up 6.7% to 19.2 million tonnes. Taiwan's monthly increase in steel production was 0.8%, bringing the year to date to 8.6 million tonnes, an increase of 2.3%.

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For further information please contact: Phil Hunt Tel: +44 (0) 20 7343 3916 Fax: +44 (0) 020 7343 3903  
e-mail: [tradeadmin@issb.co.uk](mailto:tradeadmin@issb.co.uk) website: [www.issb.co.uk](http://www.issb.co.uk) or write to:  
Publications Dept, Ref: SOTN, ISSB Limited, 1 Carlton House Terrace, London, SW1Y 5DB, England