

WORLD STEEL REVIEW
Iron & Steel Statistics Bureau, July 2010



Production of crude steel for the 66 countries reporting to the World Steel Association in May was estimated to be 124.1 million tonnes, the highest ever monthly total. This was 29% higher than in May 2009, and the year to date was almost 30% higher than the total for the same period in 2009 at 586 million tonnes. Excluding China, however, the rise in May was 37% and the 5 months total was up by 35%. China accounted for 46% of world steel production in the first five months of 2010.

In the European Union crude steel production for the 27 rose by 51% in May to 16.3 million tonnes, compared to May 2009. The five months total to date increased by 46% to 74.3 million tonnes. German steel production jumped by almost 90% in May, bringing the year to date total to 18.9 million tonnes, 67% up on the previous year. French production increased by 59% in May, while the year to date total rose by 42% to 6.8 million tonnes. Italian steel production rose by 42% in May, and by 38% in the five months to 11.3 million tonnes. Spanish production increased by 25% in May, bringing the year to date total up by 34% to 7.5 million tonnes. In the United Kingdom steel production only showed a very slight rise in May, but was 19% higher in the five months to 4.3 million tonnes. Belgian production showed the largest rise in May with the monthly total up 120%, with the January to May period up 65%. Greek steel production fell by 20% in May, and the year to date total was also down 20%. Outside the European Union, Turkey showed a 19% rise in production in May, bringing the year to date total to 11 million tonnes, an increase of 13%.

The European Union as a whole appears to be emerging from recession with its highest monthly crude steel production in May since September 2008. Exports of steel have also been rising with the March total at 12.3 million tonnes (including internal trade) being the highest since October 2008. Only Greece showed a drop in steel production compared to the same month last year, and almost every country showed a rise in exports in March compared to February 2010.

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According to ACEA, the European car manufacturers association, car registrations were down by 8.7% in May, although the five months total rose by 2.3%. German registrations fell by 35% in May, bringing the year to date to 1.2 million cars, nearly 28% down on 2009. Italian registrations were down by 14% in May, while the year to date total was 8% up at 992 thousand cars. Registrations in France were 11.5% down in May, but 7.2% up in the first five months to 972 thousand cars. In the UK, on the other hand, registrations increased by 13.5% in May, bringing the year to date total to 913 thousand cars, a rise of 22%. The Spanish monthly total jumped by 44.6% with the five months up 43.5% to 483 thousand cars.

Russian crude steel production was 5.8 million tonnes in May, nearly 25% higher than in May 2009, while the year to date total was 24% up at 27.2 million tonnes. Ukrainian monthly production increased by 30%, bringing the five months total to 14.1 million tonnes, an increase of 24.7%. In Kazakhstan, however, the year to date total fell by 4.5% to 1.5 million tonnes.

Russian exports of steel in March exceeded 3 million tonnes, their highest since January 2007. There was a general increase in exports to most regions. Iran remains Russia's largest export market and took nearly 15% of total exports of steel in March. Italy was the next largest market taking 12% of the total in March, followed by Taiwan, Thailand and Germany. Half of Russia's exports in March were billets and slabs, with hot rolled coil accounting for a further 20%.

On the North American continent US crude steel production jumped by 74% in May, and by 69% to 33.7 million tonnes in the year to date. Canadian steel production more than doubled in the month and was 56% up in the five months to 5.4 million tonnes. In comparison Mexican steel production just increased by 24% in May, and by 31% in the year to date to 7 million tonnes.

US imports of steel started to rise in March and nearly reached two million tonnes in April, the highest level since January 2009. Most products showed a rise in April with semis accounting for 18% of total imports. There was a large jump in the imports of welded tubes which accounted for 17% of total imports in April; 70% of this tonnage was oil and gas pipe. Canada and Mexico are still the largest suppliers of steel to the USA, together accounting for 41.5% of total imports in April. Asian countries accounted for 23% of April imports.

Crude steel production in the South American countries was very mixed, with Brazilian production rising by 51% in May, and by 57% in the year to date to 13.5 million tonnes. Argentinian steel production actually rose by 63% in the month, bringing the five months total to 2 million tonnes, an increase of 50%. In Venezuela, however, the monthly total fell by 44%, while the year to date total was down by 53% to 0.9 million tonnes.

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In Africa, Egyptian steel production rose by 22% in May and by 13% in the year to date to 2.5 million tonnes. South African production increased by 23% in May and by 25% in the five months to nearly 3.5 million tonnes. In the Middle East, Iran showed an 8% increase in steel production in May with the year to date total only up 1.9% to 4.9 million tonnes. Saudi Arabian steel production was 26% up in the year to date to 2.2 million tonnes.

Turning to the Far East Chinese steel production rose by 20.7% in May, bringing the year to date total up 23.8% to 269 million tonnes, some 46% of world production. Japan's May production jumped by 50%, making the year to date total 45.2 million tonnes, an increase of 51.7%. As the second largest steel producer in the world Japan accounted for nearly 8% of global production. Crude steel production in South Korea was 28% up in the month, making 23.5 million tonnes in the five months, an increase of nearly 28% on the previous year. India's production, however, only showed a rise in May of 2%, although the year to date total was up by 8% to 27 million tonnes. Taiwan's monthly increase in steel production was 27%, bringing the year to date total to 7.5 million tonnes, a rise of 32%.

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