

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, August 2007



Production of crude steel for the countries reporting to the IISI in June 2007 was estimated to be 110.6 million tonnes, an increase of 5.7% over June 2006. This brought the total for the first six months of 2007 to 651.6 million tonnes, 8.4% up on the January to June period in 2006. However, excluding China, which accounted for 36% of this total, the year to date rise was only 3.6% with the June total only up 1.7%. Four regions showed a drop in the June crude steel total, although only in North America was the six months total down as well. Based on these figures crude steel production in 2007 will exceed 1.3 billion tonnes.

Crude steel production in the 27 member countries of the European Union decreased by 0.2% in June compared to June 2006, with the year to date up 2.7% to 108.1 million tonnes compared with the same period last year. Monthly production in Germany rose by 2.7%, bringing the six month total up 5.2% to 24.5 million tonnes. Italian production was flat in June, with a rise of 2.5% in the year to date to 16.6 million tonnes. French crude steel production, however, fell by 10.2% in June, and by 1.1% to 10.5 million tonnes in the year to date. Spanish production was also down in the month, -2.2%, although the year to date total rose by 1.2% to 9.4 million tonnes. The UK total was 5.2% up in June and 3.6% up in the six months to 7.4 million tonnes. Poland's monthly production rose by 3.8%, bringing the six month total up 13.3% to 5.5 million tonnes, just ahead of the Belgian total which was down 25% in the month, and by 7% in the six months to June at 5.4 million tonnes. One of the largest increases in crude steel production in the European Union was Romania which had a 49% increase in June, with the year to date up 11.3%.

Elsewhere in Europe, Turkey's steel production rose by 3.7% in the month with the half year total up by 12% to 12.7 million tonnes. Serbia and Montenegro's six month total almost reached one million tonnes, 6.2% up on the previous year.

European car registrations, according to ACEA, were up 0.7% in June, although the total for the first six months of 2007 was very slightly down at 8.5 million cars. German registrations were down 7% in the month and by 9.2% in the half year to 1.58 million cars. The Italian market, however, rose by 8% in June and by 6.5% in the six months to 1.42 million cars. The UK total also increased by 1.5% in the month and 4.2% in the year to date to 1.27 million cars. French registrations fell by 3.2% in June and by 2.6% in the half year to 1.08 million cars. These four countries accounted for 63% of total European registrations. There were some marked rises in some East European countries with the Polish six months total up 25% and the Romanian total up 29%.

Turning to the CIS, Russian production was up 5.2% in June, while the half year total rose by 4.6% to 36.6 million tonnes. Ukrainian crude steel production, however, was flat in June, but was 7.4% up in the six months to 21.3 million tonnes. In Kazakhstan, steel production increased by 7.9% in June and by 12.3% to 2.3 million tonnes in the half year. The Belarus six months total was up 4% to 1.2 million tonnes, with Moldova crude steel production up 45% to 484 thousand tonnes.

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On the North American continent crude steel production in the United States decreased by 3.3% in June, bringing the six months total down 4.2% to 48.5 million tonnes. Canadian production fell by 0.8% in June, although the year to date total was 1% up to 8.1 million tonnes. Crude steel production in Mexico, however, rose 2.5% in June, with the half year total up 6.1% to 8.5 million tonnes.

Crude steel production in South America was mixed with Brazilian production rising by 14.8% in June, with a 12.8% increase in the six months to date to 16.3 million tonnes, only just short of the Italian total of 16.6mt. Elsewhere on the continent, production in Venezuela was up 9.2% in June and by 2.9% in the half year to 2.5 million tonnes. Argentinian steel production, however, fell by 9% in the month, and the six months total decreased by 8.3% to 2.6 million tonnes.

In Africa, South African production dropped by 16.3% in June, bringing the year to date down 5.4% to 4.5 million tonnes. Egyptian production, however, increased by 10.9% in June and by 7.6% in the six months to 3.1 million tonnes. The Algerian six months total was up 39% to 672 thousand tonnes. In the Middle East, Iranian production rose by 3.2% in June, and by 1% in the first six months of the year to 4.9 million tonnes. Saudi Arabian steel production rose by 16.2% in the month, making the year to date total 2.2 million tonnes, an increase of 7%.

All of the main steel producing countries of the Far East reported an increase in both June steel production and the year to date. China's steel production still continues to rise with an increase of 13.3% in June, raising the six months total by 17.8% to 237.1 million tonnes, accounting for 36% of world steel production. Crude steel production in Japan was 2.9% up in June with the year to date total up 4.3% to 59.4 million tonnes. In June South Korean production was up 2.7%, with the year to date up 8.1% to 25.9 million tonnes. Steel production in India was up by 3.1% in June, and by 6.1% in the year to date to 22.9 million tonnes. Taiwanese production increased by 7.1% in June and by 3% in the six months to 10.4 million tonnes. Australian crude steel production increased slightly in the first six months to 3.9 million tonnes.

Chinese exports of stainless steel have tripled in the first six months of 2007 compared to the same period in 2006 reaching 853 thousand tonnes. Comparing the monthly average exported in 2007 this has put China in second place behind Belgium and ahead of Italy. 45% of China's stainless exports in 2007 were CR, with HR coil accounting for a further 19%. Although 44% of China's exports in 2007 went to other Asian countries, almost 34% went to the European Union. Germany was China's largest market followed by South Korea and the USA; Italy was the fourth largest market.

Although China was the second largest exporter of all stainless steel in 2007, it was the largest exporter of stainless cold rolled plate, sheet and strip. An analysis of this tonnage shows that the largest markets were Germany, Italy and the USA, with 44% going to the European Union. Other Asian countries accounted for a further 32%.

In comparison, HR coil accounted for 56% of Belgian stainless exports with stainless CR accounting for a further 29%. 85% of all Belgian stainless exports went to the European Union, primarily France.

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