

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, August 2009



Production of crude steel for the countries reporting to the World Steel Association in June 2009 was estimated to be 99.8 million tonnes, a decrease of 16% over June 2008. This brought the total for the first six months of 2009 to 549.3 million tonnes, 21.3% down on the January to June period in 2008. However, excluding China, which accounted for almost half the total in 2009, the year to date total fell by 35% with the June total down 30%. All regions showed a drop in both June and the year to date totals except for the Middle East.

Crude steel production in the 27 member countries of the European Union fell by 39.4% in June compared to June 2008, with the year to date total down by 43.2% to 62.2 million tonnes compared with the same period last year. Monthly production in Germany fell by 41%, while the six months total was down 43.5% to 13.8 million tonnes. Italian production was down 43.1% in June, with a drop of 42.8% in the year to date to 9.8 million tonnes. Spanish crude steel production decreased by 31.4% in June, bringing the year to date total down by 36.1% to 6.8 million tonnes. French production was down 38% in the month, and the six month total was down 41.5% to 5.9 million tonnes. The UK total was down by 40.8% in June with a 41.8% fall in the year to date to 4.3 million tonnes. The largest decline in both June and the year to date total was in Belgium where the monthly production dropped by 62.7%, bringing the January to June total down 60.5% to 2.4 million tonnes.

Germany accounted for 22% of steel production in the European Union in 2009, the same as in 2008, while both exports and imports of steel have been falling in 2009. Exports reached their lowest monthly level in April since January 1999 at 1445 thousand tonnes. Imports of steel in April at 1277 thousand tonnes were the lowest monthly total since December 2003. Compared to the same month in 2008, April exports were 47.4% down and imports were 46.2% down. Other EU countries still account for the majority of German trade with exports to the EU being 78% of total exports in the first 4 months of 2009, while imports from the EU were 82% of the total. The USA, China and Russia were the largest export markets outside the EU in 2009, while the top 3 countries supplying German imports from outside the EU in 2009 were Russia, Mexico and Switzerland.

Elsewhere in Europe, Turkey's steel production fell by 12.7% in the month with the half year total down by 17.3% to 11.8 million tonnes. Serbia's six month total dropped by 75% to 249 thousand tonnes, while the Swiss total was 36.5% lower at 469 thousand tonnes.

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European car registrations, according to ACEA, actually rose by 2.4% in June, while the total for the first six months of 2009 was down 11% at 7.4 million cars. German registrations were up 40% in the month and by 26% in the half year to 2.06 million cars. The Italian market increased by 12.4% in June, but was down by 10.7% in the six months to 1.13 million cars. French registrations rose by 7% in June and by 0.2% in the six months to 1.13 million cars. The UK total, however, decreased by 15.7% in the month and by 26% in the year to date to 925 thousand cars. These four countries accounted for 70% of total European registrations. Spain had the fifth largest market in Europe at 433 thousand cars in the first six months of 2009, although this was 38% down on the previous year.

Turning to the CIS, Russian production was down 22% in June, while the half year total was down by 30% to 26.8 million tonnes. Ukraine fared even worse with crude steel production down 36.8% in June, and by 38.8% in the six months to 13.6 million tonnes. In Kazakhstan, steel production decreased by 20.3% in the half year to 1.9 million tonnes. The Belarus six months total was up 2.5% to 1.3 million tonnes.

The North American continent showed the largest regional fall in crude steel production with the USA total down by 47% in June, bringing the six months total down 51.8% to 24.5 million tonnes. This makes the USA currently the fifth largest steel producing country in the world after China, Japan, India and Russia. Canadian production fell by 45.7% in June, and the year to date total was down 47.4% to 4.5 million tonnes. Crude steel production in Mexico was down just 27.5% in June, with the half year total down 32% to 6.5 million tonnes.

Imports of steel by the USA dropped to their lowest level for 16 years in May 2009 when they fell to 984 thousand tonnes. The only other occasions when the monthly total fell below one million tonnes in the last 20 years was in February 1993 and August 1991. The May 2009 total was almost 60% below the May 2008 total with welded tubes down by 58%, seamless tubes down by 30% and hot rolled wide strip down by 51%. These 3 products accounted for 49% of total US imports in May. Canada remained the largest exporter to the USA in May, followed by China, Mexico and South Korea. These 4 countries accounted for 61% of US imports in that month.

Crude steel production in South America was down by 31% in June with Brazilian production falling by 34% in June, and by 39.5% in the six months to date to 10.6 million tonnes. Elsewhere on the continent, production in Argentina fell by 37% in June and by 42% in the half year to 1.7 million tonnes. Venezuelan steel production, however, only fell by 6.7% in the month, with the six months total actually up by 6% to 2.2 million tonnes.

In Africa, South African production decreased by 19% in June, and by 24% in the year to date to 3.4 million tonnes. Egyptian production, however, only fell by 8.6% in June and by 19% in the six months to 2.7 million tonnes. The Libyan six months total was down 11% to 572 thousand tonnes, while the Algerian total dropped by 41.5% to 263 thousand tonnes. In the Middle East, Iranian production actually rose by 9.4% in June, and by 12.1% in the first six months of the year to 5.6 million tonnes. Saudi Arabian steel production rose by 6% in the month, although the year to date total was 13.5% down at 2.2 million tonnes. The Qatar six months total was 31.5% down at 508 thousand tonnes.

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The five main steel producing countries of the Far East reported varying production with both China and India showing an increase. China's June steel production showed an increase of 6% to 49.4 million tonnes, 49.5% of the world's total; this increased the six months total by 1.2% to 266.6 million tonnes which was 48.5% of the world total. Crude steel production in Japan declined by a third in June with the year to date total down 40.7% to 36.7 million tonnes. India has now become the third largest steel producing country in the world with June production up 5.7%, bringing the year to date total to 27.6 million tonnes, an increase of 1.3%. South Korean steel production was down 14.4% in June, and by 17.3% in the year to date to 22.8 million tonnes. Taiwanese production decreased by 29.5% in June and by 39% in the six months to 6.6 million tonnes. Australian crude steel production dropped by 52% in the first six months to 1.9 million tonnes.

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