

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, September 2006



Production of crude steel in July for the 62 countries reporting to the IISI was estimated to be 103.6 million tonnes, an increase of 14.8% over July 2005. The total for the first seven months of 2006 showed an increase of 9.1% to 700.4 million tonnes. All regions showed a rise in crude steel production in July except Africa, and Africa and South America were the only regions to show a decrease in the year to date production. If China is excluded from the total, the July increase was 11.2% and the seven months total was up 4.8%.

In the European Union 25, crude steel production increased by 13.8% in July to 16.6 million tonnes compared to July 2005; total production for the seven months to date was 5.5% up on the previous year's total at 117.5 million tonnes, exactly half the Chinese total for this period. German crude steel production rose by 14.5% in July, taking the year to date total to 27.3 million tonnes, up 3.5%. Italy's steel production showed a 9.6% increase in July, while the seven months total was up 5.8% to 18.8 million tonnes. In France crude steel production increased by 11.6% in July, and by 5.8% in the year to date to 12.4 million tonnes. Spanish production was up 6.8% in July, although the seven months total only increased by 0.2% to 10.7 million tonnes. UK steel production rose by 9.9% in July, with the year to date up 5.6% at 8.3 million tonnes.

Among the newer EU members crude steel production in Poland jumped by 39% in July, while the year to date total was up 17% to 5.7 million tonnes. The Czech Republic totals were up 26% and 15% respectively, while in Slovakia, steel production jumped by 46% in July, and by 13% in the year to date.

In the rest of Europe, Turkey's steel production rose by 17.5% in July, and increased by 11.9% in the seven months to 13.4 million tonnes. Romanian July production was up 2.9%, while the year to date fell by 2.3% to 3.6 million tonnes.

Turkey's exports of steel in the first five months of 2006 at 5.3 million tonnes were only slightly higher than in 2005. However, Turkey's imports jumped by 21.6% to 4.6 million tonnes. Of this total, 1.8 million tonnes was hot rolled wide coil, up by 33% on the previous year. Almost 80% of this hot rolled coil came from the Ukraine, Russia and Romania.

In the countries of the former USSR Russian production rose by 11.6% in July, bringing the year to date total to 41 million tonnes, 7.3% up on the previous year. Ukrainian crude steel production increased by 24% in July, while the year to date total was up 6.4% to 23.5 million tonnes. The other significant steel producer, Kazakhstan, showed a 2.5% drop in production in July with the year to date down by 1.6% to 2.4 million tonnes.

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On the North American continent US crude steel production increased by 18.7% in July to 8.5 million tonnes, bringing the seven months total up 9.5% to 59.2 million tonnes. Canadian monthly production was also up, by 23%, with the year to date total up by 2.5% to 9.3 million tonnes. Crude steel production in Mexico was flat in July, making the year to date total 3.8% lower at 9.4 million tonnes compared to the first seven months of 2005.

In South America Brazilian steel production increased by 9.4% in July, with the year to date total down 6.6% to 17.2 million tonnes. Production in Argentina rose by 5.9% in July, and by 5.3% in the seven months to 3.3 million tonnes. Venezuelan steel production, on the other hand, fell by 14% in the month, although it was up by 1.4% in the year to date to 2.8 million tonnes.

Turning to Africa and the Middle East, Iran has overtaken South Africa as the largest producer in the region, with July production 4.3% up, and the year to date 4.8% higher at 5.7 million tonnes. South African production rose by 5.4% in July, with the seven months total slightly down at 5.6 million tonnes. Egypt's seven months total fell by 11.4% to 2.9 million tonnes, while Saudi Arabian year to date production decreased by 1.8% to 2.4 million tonnes.

Crude steel production in China continues to rise with an increase of 22.2% in July, bringing the year to date total up by 18.9% to 236.0 million tonnes. Japanese steel production was up 4.5% in the month, with the first seven months total up 1% at 66.8 million tonnes. In South Korea production increased by 6.2% in July, with the year to date total 0.8% up at 27.8 million tonnes. Indian steel production rose by 10.5% in July, with the seven months total at 24.3 million tonnes, a rise of 15.7% over 2005, putting it just ahead of the Ukraine. Taiwanese crude steel production increased by 16.9% in July and by 5.8% in the year to date to 11.8 million tonnes.

Hot rolled wide coil is the most widely traded steel product after semis. In 2005 about 65 million tonnes of semis were traded globally compared to about 56 million tonnes of hot rolled wide coil. The largest exporter of hot rolled coil is Japan, both in 2005 and the first six months of 2006. 87% of Japan's exports in 2006 went to other Asian countries, with South Korea being by far the largest market. China was the fourth largest exporter of hot rolled coil in 2005, but the second largest in the first six months of 2006. Unlike Japan only 61% of China's exports in 2006 went to other Asian countries, with some 34% going to the European Union, primarily Italy and Spain. However, China's largest customer by far in both 2005 and 2006 was South Korea. Advance notice of China's July exports of hot rolled coil show they have risen to over one million tonnes, triple the amount a year earlier and double the monthly average of the first six months of 2006 (Metal Bulletin, 25 August). Metal Bulletin also reported that the Chinese export price of hot rolled coil has fallen by 17% from the mid June peak, in line with weakening domestic prices, but is still about 30% above the low point in March.

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