

## **WORLD STEEL REVIEW**

**Iron & Steel Statistics Bureau, September 2007**



Production of crude steel in July for the 67 countries reporting to the IISI was estimated to be 109.9 million tonnes, an increase of 5.3% over July 2006. The total for the first seven months of 2007 showed an increase of 7.9% to 761.8 million tonnes. All regions showed a rise in crude steel production in the year to date total except for North America. If China is excluded from the total, the July increase was only 0.5% and the seven months total was just 2.6%.

In the European Union 27, crude steel production fell by 1.8% in July to 17 million tonnes compared to July 2006; total production for the seven months to date was 2.1% up on the previous year's total at 124.9 million tonnes. German crude steel production was virtually flat in July, although the year to date total was 28.5 million tonnes, up 4.5%. Italy's steel production was also virtually flat in July, while the seven months total was up 2.1% to 19.2 million tonnes. In France crude steel production decreased by 10.2% in July, and by 0.5% in the year to date to 12.0 million tonnes. Spanish production was down 2.2% in July, although the seven months total was up by 0.8% to 10.8 million tonnes. UK steel production, on the other hand, showed a small rise in July of 0.3%, taking the year to date total to 8.6 million tonnes, an increase of 3.1%.

Among the newer EU members crude steel production in Poland increased by 8.3% in July, while the year to date total was up 13.2% to 6.5 million tonnes. However, the Czech Republic seven month total was only up 0.6% at 4.2 million tonnes, while in Slovakia steel production in the seven months was flat at 3 million tonnes. Romanian steel production was 0.9% up in the year to date to 3.7 million tonnes.

In the rest of Europe, Turkey's steel production rose by 8% in July, and increased by 11.4% in the seven months to 14.9 million tonnes. Production in Serbia and Montenegro was up 5.9% in the year to date to 1.1 million tonnes.

In the countries of the former USSR Russian production rose by 5.2% in July, bringing the year to date total to 42.8 million tonnes, 4.7% up on the previous year. Ukrainian crude steel production, however, decreased by 1% in July, while the year to date total was up 6.6% to 24.9 million tonnes. The other significant steel producer, Kazakhstan, showed an 8.6% increase in production in July with the year to date up by 11.7% to 2.7 million tonnes.

Russian steel exports fell by 2.7% in the first six months of 2007 to 15.4 million tonnes, with exports of hot rolled coil down 20.7% to 2.3 million tonnes. However, exports of semis were up 7% to 8.3 million tonnes. Russian imports of steel in the first six months of 2007 were 67% higher than 2006 at 3.8 million tonnes with most products showing an increase. The CIS countries supplied 65% of the total with the Ukraine accounting for just over half the imports at 2 million tonnes. 20% of Russian imports came from the European Union, while China accounted for 8.3% of the total which made it the second largest supplier after the Ukraine.

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On the North American continent US crude steel production fell by 0.7% in July to 8.4 million tonnes, bringing the seven months total down 3.8% to 56.9 million tonnes. Canadian monthly production was also up, by 5.3%, with the year to date total up 1.6% to 9.5 million tonnes. Crude steel production in Mexico rose by 6.3% in July, making the year to date total 6.6% higher at 9.9 million tonnes compared to the first seven months of 2006.

While US exports of steel have risen in the first six months of 2007, up 8% to 5.3 million tonnes, US imports of steel have fallen by 20% to 16.8 million tonnes, although the USA remains the largest steel importer in the world. Imports of semis fell by 31% to just under 3 million tonnes, and imports of hot rolled coil fell by 42% to 1.8 million tonnes. On the other hand imports of welded tubes increased by 25% to 2.7 million tonnes. This increase in welded tubes was mainly line pipe, both under and over 406.4mm diameter, which came primarily from Canada, China, South Korea and India.

The USA is by far the largest exporter of ferrous scrap in the world, with exports of 14 million tonnes in 2006. Exports of scrap in the first six months of 2007 jumped to 8.1 million tonnes, an increase of 36.5% on January to June 2006. Just over half of this total went to Asian countries with China taking almost 1.3 million tonnes. Turkey was the largest single market, taking 1.8 million tonnes, more than double the amount it took in the same period in 2006. Canada was its third largest market taking 741 thousand tonnes.

In South America Brazilian steel production increased by 5.3% in July, with the year to date total up 11.6% to 19.2 million tonnes. Production in Argentina fell by 26% in July, and by 10.9% in the seven months to 2.9 million tonnes. Venezuelan steel production, on the other hand, fell by 8.5% in the month, although it was up by 1.9% in the year to date to 3 million tonnes.

Turning to Africa and the Middle East, Iran has overtaken South Africa as the largest producer in the region, although July production was down 0.6% bringing the year to date total up 0.8% to 5.7 million tonnes. South African production fell by 9.9% in July, with the seven months total down 6.1% at 5.3 million tonnes. Egypt's seven months total increased by 6.3% to 3.6 million tonnes, while Saudi Arabian year to date production rose by 6.1% to 2.5 million tonnes.

Despite being the largest producer in the region Iran is also the largest importer of steel, accounting for one third of steel imports to the middle east in Q1 2007. Iranian steel imports almost doubled to 3 million tonnes in the first quarter of 2007 compared to the same period in 2006. Most of this increase was in semis and deformed reinforcing bars. The majority of the increase in semis was high carbon billets and slabs from Russia and Kazakhstan. The large increase in deformed reinforcing bars was almost all from China. There were marked decreases in the imports of hot rolled coil, hot rolled plate, CR and welded tubes.

Crude steel production in China continues to rise with an increase of 14.5% in July, bringing the year to date total up by 18.5% to 278.9 million tonnes, almost 37% of world steel production. Japanese steel production was only up 1.5% in the month, with the first seven months total up 3.9% at 69.4 million tonnes. In South Korea production increased by 2.7% in July, with the year to date total 6.7% up at 29.8 million tonnes. Indian steel production, however, actually fell by 7.2% in July, with the seven months total down 6.1% at 26.7 million tonnes. Taiwanese crude steel production increased by 4.4% in July and by 3.2% in the year to date to 12.1 million tonnes.

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South Korea has become the third largest importer of steel in the world after the USA and Germany, importing 13.7 million tonnes in the first six months of 2007. This was 29% up on the same period in 2006. Imports of hot rolled coil rose by 28% to 4 million tonnes, while imports of semis were up 52% to 3.1 million tonnes. China supplied 53% of South Korean imports with a further 34% coming from Japan. Only 5% came from Europe and the CIS countries.

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