WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, September 2012

Production of crude steel in July for the 62 countries reporting to the World Steel Association was estimated to be 129.7 million tonnes, an increase of 2% over July 2011. The total for the first seven months of 2012, however, showed a rise of just 1% to 897 million tonnes. If China is excluded from the total, there was no increase in either July or the year to date.

In the European Union 27, crude steel production fell by 4.9% in July to 14.2 million tonnes compared to July 2011; total production for the seven months to date was 4.6% down on the previous year's total at 103 million tonnes. German crude steel production decreased by 2.1% in July, bringing the year to date total down 5% to 25.5 million tonnes. However, Italy's steel production fell by 7.8% in July, while the seven months total decreased by 0.7% to 17.3 million tonnes. France is the third largest steel producer in the EU but production fell by 5.6% in July, although it rose by 2% in the year to date to 9.8 million tonnes. Spanish production actually rose by 7% in July, while the seven months total decreased by 11.9% to 8.5 million tonnes. UK steel production, on the other hand, rose by 6.6% in July, although the year to date total was down 2.9% at 5.6 million tonnes.

Among the other EU members crude steel production for the year to date fell by 13.5% in Sweden, 17.5% in Belgium and 29% in Greece.

Imports of steel by Germany fell in June 2012 to just over 2 million tonnes which was 16% below the June 2011 total. The largest product group imported in June 2012 was zinc coated steel, down 16.4% on June 2011, while imports of hot rolled plate increased by 6%.

In the rest of Europe, Turkey's steel production rose by 9.7% in July, bringing the year to date total up 9.3% to 21 million tonnes, larger than both the Ukraine and Brazil. Serbia's seven months total dropped by 62% to 346 thousand tonnes, while Bosnia's increased by 3.9% to 406 thousand tonnes.

Turkish exports of steel in June 2012 rose to over 1.7 million tonnes, 26.5% above the June 2011 total. Deformed reinforcing bars accounted for 43% of total exports in June, some 743 thousand tonnes, which was 58% higher than in June 2011. Semis were the next largest export at 363 thousand tonnes, mostly billets, which was 53% above the June 2011 total.

The Middle East was the largest market for Turkish reinforcing bars in June, accounting for almost 400 thousand tonnes of the 743kt. The largest single market was Iraq followed by Saudi Arabia. Exports to Africa also increased, of which Egypt was the largest recipient. Saudi Arabia accounted for 60% of the semis exported in June 2012, while the second largest market was Bangladesh.

For further information please contact: Phil Hunt Tel: +44 (0) 20 7343 3916 Fax: +44 (0) 020 7343 3903
e-mail: tradeadmin@issb.co.uk website: www.issb.co.uk or write to:
Publications Dept, Ref: SOTN, ISSB Limited, 1 Carlton House Terrace, London, SW1Y 5DB, England

In the CIS countries Russian production rose by 3.6% in July, bringing the year to date total to 41.6 million tonnes, 2.8% up on the previous year. Ukrainian crude steel production, however, increased by 5.7% in July, while the year to date total fell by 1.8% to 20.1 million tonnes. The other significant steel producing country, Kazakhstan, showed a drop of 35% in production in July, bringing the year to date total to 2.2 million tonnes, a fall of almost 25%.

On the North American continent US crude steel production rose by 0.9% in July to 7.4 million tonnes, bringing the seven months total up by 7.1% to 53.6 million tonnes. Canadian monthly production rose by 12.7%, with the year to date total 7.5% higher at 8.3 million tonnes. Crude steel production in Mexico, however, decreased by 7.6% in July, making the year to date total 2.5% lower at 10.4 million tonnes compared to the first seven months of 2011.

The USA remains the largest importer of steel in the world with the June 2012 total at 2.65 million tonnes, although this was the lowest monthly total in 2012 apart from February. The June total, however, was 4.4% above the June 2011 total with imports of semis 10% up on June 2011 and welded tubes 11.5% higher.

In South America Brazilian steel production was 4.1% lower in July, while the year to date total was 2.6% down at 20.4 million tonnes. Production in Argentina dropped by 30% in July, and by 4% in the seven months to 3.1 million tonnes. Venezuelan steel production, on the other hand, fell by 16.4% in the month, bringing the year to date total down 24% to 1.5 million tonnes. Chile's seven months total showed a slight decline of 0.7% to one million tonnes.

Turning to Africa and the Middle East, Iranian production rose by 4% in July, bringing the year to date total up 8.1% to 8.4 million tonnes. South African production, however, fell by 6.9% in July, with the seven months total down 17.6% at 4 million tonnes. Egypt's seven months total, on the other hand, was 2.6% higher at 3.9 million tonnes, while Saudi Arabian year to date production decreased by 2.2% to 3 million tonnes.

Crude steel production in China increased by 4.2% in July to 61.7 million tonnes, its highest monthly total ever, bringing the year to date total up by 2.1% to 419 million tonnes, nearly 47% of world steel production. Japanese steel production only increased by 1.2% in the month, and by just 0.2% in the first seven months to 63.3 million tonnes. In India production increased by 5.4% in July, and by 3.4% in the year to date to 44.6 million tonnes. South Korean steel production rose by 4.4% in July, with the seven months total up 3.2% at 40.9 million tonnes. Taiwanese crude steel production, however, decreased by 4.6% in July and by 7.6% in the year to date to 12.5 million tonnes. Australian year to date production fell by 31.6% to 2.8 million tonnes.

Chinese steel exports showed a marked drop in July, down to 4.2 million tonnes from 5.1mt the previous month. It was also 2.6% below the July 2011 monthly total. Exports of coated sheet and strip were down by 17.6% on July 2011, while exports of hot rolled bars were up by 60%, and wire rod exports rose by 72%. In fact exports of long products were 53% higher than in July 2011, while exports of flat products were down by 22%.

For further information please contact: Phil Hunt Tel: +44 (0) 20 7343 3916 Fax: +44 (0) 020 7343 3903
e-mail: tradeadmin@issb.co.uk website: www.issb.co.uk or write to:
Publications Dept, Ref: SOTN, ISSB Limited, 1 Carlton House Terrace, London, SW1Y 5DB, England

In July 2012 some 79%, or 940 thousand tonnes, of Chinese exports of long products went to other Asian countries, whereas in July 2011 only 65%, or 508 thousand tonnes, went to Asian countries. The largest market for long products was South Korea. The pattern for flat products was rather different with 54% going to other Asian countries, 1.1 million tonnes, in July 2012 compared to 46%, or 1.2 million tonnes, in July 2011. Exports of flat products to the European Union more than halved, dropping from 471kt to 210kt in July 2012. Exports to the American continents only fell from 374kt to 346kt in July 2012.

P G Hunt
ISSB Ltd

For further information please contact: Phil Hunt Tel: +44 (0) 20 7343 3916 Fax: +44 (0) 020 7343 3903
e-mail: tradeadmin@issb.co.uk website: www.issb.co.uk or write to:
Publications Dept, Ref: SOTN, ISSB Limited, 1 Carlton House Terrace, London, SW1Y 5DB, England