WORLD STEEL REVIEW
Iron & Steel Statistics Bureau, October 2006

Crude steel production in August was estimated to be 101.6 million tonnes, according to the 62 countries reporting to the IISI, an increase of 11% over August 2005. The total for the first eight months of 2005 was 802.0 million tonnes, 9.4% up on the same period in 2005. However, excluding China, the August total rose by 7.9%, and the year to date was up 5.2%.

In the European Union crude steel production for the 25 member states was up by 10.5% in August, compared to August 2005, to 14.5 million tonnes, with an increase of 6.1% in the eight months total to 132.1 million tonnes. German crude steel production increased by 16.7% in August, while the January to August total was up 5% to 31.2 million tonnes compared to the same period the previous year. French production fell by 3.4% in August, although the year to date total increased by 4.4% to 13.5 million tonnes. Production in Italy, however, was up by 13.9% in August, with the year to date total up by 7% to 20.6 million tonnes. Spanish production decreased in August (4.8%), but was only down 0.7% in the year to date to 11.9 million tonnes. The United Kingdom showed an increase in steel production, with August up by 11.6%, and the eight months total up 6.4% to 9.5 million tonnes. Some of the newer members showed some marked increases with Poland's steel production up by 37% in August, and by 21% in the year to date to 6.7 million tonnes. Slovakian production was also up 37% in August, and 15.6% in the eight months to 3.4 million tonnes. In the Czech Republic steel production increased by 11.6% in August, and by 14.5% in the eight months to 4.7 million tonnes.

While steel exports by the EU25 outside the Union rose by 3.8% to 16.1 million tonnes in the first 6 months of 2006, imports from outside increased by 13.4% to 18.5 million tonnes making the Union a net importer of steel. The largest export market remained the USA which took 3.1 million tonnes, 19% of the total. Turkey and Switzerland were the next two largest markets at 1.3 and 1.2 million tonnes, respectively. Russia remained the largest supplier of steel to the EU25 at 4 million tonnes, 22% of the total, with the Ukraine and Turkey at 2 million tonnes each, 11% of the total. China was the next largest supplier at 1.6 million tonnes, followed by Brazil and India. Imports of HR wide coil jumped to 3.9 million tonnes in the first half of 2006, 21% of the total, equal to the tonnage of ingots and semis imported. Imports of HR plate and CR were 1.3 and 1.2 million tonnes respectively, 6.9 and 6.7% of the total imported.

In the rest of Europe Turkey's crude steel production was almost 2 million tonnes in August, an increase of 5.9%; the year to date production, however, was up 11.1% to 15.3 million tonnes, making it the third largest steel producer in Europe.

According to ACEA, the European Car Manufacturers Association, passenger car registrations in Europe fell by 1.4% in August, although the eight months total was up by 0.4% compared to 2005. In Germany registrations were down by 1.3% in August, but up by 0.6% in the year to date to 2.2 million cars. In Italy the August total was down by 2.3%, although the year to date was up 4.8% to 1.6 million cars. In the United Kingdom, however, the August total decreased by 6.1%, with the eight months total down by 4.3% to less than 1.5 million cars. French registrations were flat in the month,

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while the year to date total fell by 1.9% to 1.37 million. Spanish registrations were down by 3.8% in August, and by 2% in the eight months to 1.05 million cars. These five countries accounted for 74% of total European registrations in the January to August period.

In the CIS countries Russian production was 9% up in August, bringing the eight months total to 46.9 million tonnes, 7.7% above the 2005 total. In the Ukraine crude steel production jumped by 14.1% in August, with the year to date up 7.9% to 27.0 million tonnes. Production in Kazakhstan, however, fell by 13.2% in August and by 3.2% in the eight months to 2.8 million tonnes.

On the North American continent crude steel production in the USA increased by 11.3% in August bringing the year to date total up 9.6% to 67.5 million tonnes. Canadian August steel production was 12.6% higher, with the eight months total up 3.7% to 10.7 million tonnes. Mexican production fell by 1.8% in August, bringing the year to date total down 4.8% to 10.5 million tonnes.

In South America, Brazilian crude steel production in August rose by 6.6%, although the eight months total fell 4.9% to 20 million tonnes. Argentinian steel production, on the other hand, rose by 0.8% in August, and was up 4.7% in the year to date at nearly 3.8 million tonnes. Venezuelan August production was 2.2% up, with the eight months total increasing by 1.5% to 3.2 million tonnes.

Production in South Africa, the major steel producing country on the African continent, rose by 5.3% in August, bringing the eight months total up 0.4% to 6.4 million tonnes. Egypt's steel production, on the other hand, fell by 16% in August and by 12% in the year to date to 3.3 million tonnes. Steel production in Iran continues to increase, rising by 6.9% in August, bringing the year to date total up 5.1% to 6.5 million tonnes, just overtaking South Africa. Production in Saudi Arabia decreased by 10.8% in August, with the eight months total down 2.4% to 2.7 million tonnes.

Crude steel production in the five key Asian countries rose in both August and the year to date. Chinese production reached 36.7 million tonnes in August, up 17%, bringing the year to date total up 18.6% to over 272 million tonnes. In India crude steel production increased by 7.5% in August, and was up 15.3% to 28 million tonnes in the eight months. Japan's steel production rose by 4.1% in August, with the eight months total up 1.4% to 76.5 million tonnes. South Korean production increased by 5.7% in August, but was only up by 1.5% in the year to date to 31.9 million tonnes. Taiwanese steel production rose by 17.4% in the month and by 7.2% the year to date to 13.6 million tonnes.

India is now the 7th largest steel producer in the world, just ahead of the Ukraine, and catching up with South Korea. Indian steel exports have also been growing, although they have suffered from losing most of their trade with China. While the USA remains their largest market, China has dropped from being their second largest market to 11th on the list. The USA accounted for 14% of their exports in 2005, but 20% in the first quarter of 2006. China, however, dropped from 12% in 2005 to 3% in Q1 2006. The European Union took almost one million tonnes in 2005, 16% of the total exported, and 400 thousand tonnes in Q1 2006, 23.5% of the total; Belgium, Spain and the UK were the largest markets. The middle east also took nearly one million tonnes in 2005 (16%), and 307 thousand tonnes in Q1 2006 (18%); Iran and the UAE were the largest markets. Exports to the far east dropped from 2.3 million tonnes in 2005 (38% of the total) to 392 thousand tonnes in Q1 2006 (23%), the largest markets being Indonesia, Sri Lanka and Bangladesh.

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India's largest export was galvanised steel at 1.6 million tonnes in 2005, 27% of the total, and was also the largest in Q1 2006 at 477 thousand tonnes, 28% of the total. HR wide coil exports were 1.4 million tonnes in 2005, 24% of the total, and 446 thousand tonnes in Q1 2006, 26%. Welded tubes were the third largest export at 616 thousand tonnes in 2005 (10%), and 192 thousand tonnes in Q1 2006 (11%).

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