

## **WORLD STEEL REVIEW**

**Iron & Steel Statistics Bureau, October 2015**



Crude steel production in August was estimated to be 132 million tonnes, according to the 65 countries reporting to the World Steel Association, a decrease of 3% from August 2014. The total for the first eight months of 2015 was 1078 thousand tonnes, 2.3% less than the same period in 2014. However, excluding China, the August total was just 2.6% down, and the year to date total was also 2.6% lower.

In the European Union crude steel production for the 28 member states was only 0.1% higher in August compared to August 2014 at just over 12 million tonnes, while the eight months total increased by 0.2% to 114 million tonnes. German crude steel production rose by 10.7% in August, while the January to August total was up by just 0.5% to 29.2 million tonnes compared to the same period the previous year. Italian production increased by 1.3% in August, while the year to date total fell by 9.5% to over 14.6 million tonnes. Production in France, on the other hand, fell by 1.5% in August, with the eight months total down by 3.6% to 10.4 million tonnes. Spanish production fell by 2.2% in August, while the year to date total rose by 2.9% to 9.9 million tonnes. The United Kingdom showed a drop in steel production in August of 16.3%, with the eight months total down by 3.1% to 8 million tonnes.

In the rest of Europe Turkey's crude steel production was 2.6 million tonnes in August, a drop of 11.8% and the year to date production decreased by 7% to 21.3 million tonnes. Steel production in Serbia almost doubled in the eight months to 659 thousand tonnes, ahead of the Bosnian total of 547 thousand tonnes, which was an increase of just 0.2% on 2014. Norway's eight month total fell by 3.3% to 367 thousand tonnes.

According to ACEA, the European Car Manufacturers Association, passenger car registrations in Europe rose by 11.5% in August, while the eight months total increased by 8.6% compared to 2014. In Germany registrations increased by 6.2% in August and were 5.6% up in the year to date to over 2.1 million cars. In the United Kingdom, August registrations increased by 9.6%, while the year to date total was up 6.7% to over 1.6 million cars. In France the August total jumped by 10%, while the eight months total rose by 5.9% to 1.26 million cars. Italian registrations were up 10.6% in August, with the year to date total increasing by 15% to over one million cars. The Spanish August total showed one of the largest increases at 23.3%, while the eight months total increased by 22.3% to 714 thousand cars. The largest August increase was in the Czech Republic, up by 31%, bringing the year to date to 153 thousand cars, up by 21.7%.

In the CIS countries Russian steel production fell by 3.2% in August, bringing the eight months total to 47.8 million tonnes, just 0.2% lower than the 2014 total. In the Ukraine, on the other hand, crude steel production rose by 8.6% in August, although the year to date was down by 23.6% to 15 million tonnes. Production in Kazakhstan decreased by 2% in the eight months to 2.4 million tonnes.

On the North American continent crude steel production in the USA decreased by 9.7% in August bringing the year to date total down 8.5% to 54 million tonnes. Canadian August steel production decreased by 0.7%, with the eight months total increasing by 0.6% to 8.5 million tonnes. Mexican production fell by 7.1% in August, bringing the year to date total to 12.3 million tonnes, 4.4% lower than in 2014.

In South America, Brazilian crude steel production in August decreased by 5.4%, although the eight months total was up by 0.3% to 22.8 million tonnes. Argentinian steel production rose by 1.3% in August, but the year to date total decreased by 8.3% to 3.3 million tonnes. In Venezuela August production rose by a third and the eight months total increased by 6.2% to just under one million tonnes. The Colombian eight months total fell by 4.2% to 779 thousand tonnes, while in Chile the total fell by 0.8% to 731 thousand tonnes. However, the Peruvian year to date total increased by 2.5% to 729 thousand tonnes.

Production in Iran fell by 6.2% in August, bringing the eight months total up by 2.4% to 10.9 million tonnes, higher than the French and Spanish totals. South African production, on the other hand, rose by 21% in August making the year to date total 5.1 million tonnes, an increase of 13.4%. In Egypt, however, steel production dropped by 26% in August, while the eight months total was down by 11.9% to 4 million tonnes. Steel production in Saudi Arabia decreased by 8.3% in August, while the year to date total decreased by 2.2% to 4.1 million tonnes.

Among the key Asian countries Chinese crude steel production decreased by 3.5% to 67 million tonnes in August, bringing the year to date total down 2.1% to 541 million tonnes, 50% of the world total. Indian steel production rose by 2.8% in August and by 4.1% to 60.5 million tonnes in the eight months. Japan's steel production fell by 5.8% in August, while the eight months total declined by 4.9% to 70 million tonnes. South Korean production, however, increased by 4.9% in August, but fell by 3.2% in the year to date to 46.4 million tonnes. Taiwanese steel production declined by 5.7% in the month, but rose by 0.6% in the year to date to 15.1 million tonnes. Production in Thailand was down by 7.4% in the year to date at 2.6 million tonnes.

Chinese steel exports have risen significantly over the last 3 years. Exports in the first 8 months of 2015 totalled 71.3 million tonnes, nearly 27% up on the same period in 2014. There was a 91% increase in hot rolled bar exports to 18.7 million tonnes, a 24% increase in hot rolled wide strip to 9.8 million tonnes and a 15.5% increase in rods and bars in coil to 7.8 million tonnes. The hot rolled bar exports are virtually all alloy engineering steel, the price of which has fallen from USD540 in January 2014 to USD339 in August 2015. The

price of hot rolled wide coil exports has similarly fallen from USD802 in January 2014 to USD495 in August 2015.

Over half of Chinese steel exports, some 58%, went to other Asian countries in 2015, with South Korea alone taking 8.8 million tonnes and Vietnam taking 6.4 million tonnes. Middle Eastern countries took a further 6.5 million tonnes, 9.2% of the total in 2015; Africa took 5.8 million tonnes (8.1%) and the European Union took 5 million tonnes (7.1%). Outside of Asia, Turkey was the largest single market for Chinese exports at 1.9 million tonnes, 54% of which was hot rolled bars.

P G Hunt  
ISSB Ltd