

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, November 2005



Crude steel production in September for the 61 countries reporting to the IISI was 92.1 million tonnes, an increase of 3.5% over September 2004. The total for the first nine months of 2005 was 819 million tonnes, 6.3% up on the previous year's January to September total. Most regions showed a decrease in steel production in the year to date except Africa, the Middle East, Asia and Oceania.

In the European Union crude steel production for the 25 countries decreased by 8.8% in September to 15 million tonnes, bringing the year to date total down 4.2% to 138.8 million tonnes. Most member states showed a drop in steel production in September, although in Austria production jumped by 27.6%. German production was down by 7% in September, with the year to date down 4.6% to 33.3 million tonnes. Italian steel production fell by 4% in September, although the year to date was up by 3.4% to 21.6 million tonnes. French production, on the other hand, was down 11.8% in the month, bringing the year to date total down 7% to 14.5 million tonnes. Spanish steel production dropped by 10% in September, but the year to date total remained flat at 13.3 million tonnes. Steel production in Poland showed the largest fall in the European Union, down by 27% in September, bringing the year to date down 24% to 6.2 million tonnes.

European car registrations in the 26 countries monitored by ACEA increased by 1.9% in September 2005 compared to 2004, although the year to date total was very slightly down at 11.8 million cars. In Germany registrations rose by 3.5% in September, and by 3.3% in the nine months to 2.5 million cars. UK registrations, on the other hand, fell by 3.2% in the month, with the year to date total down 5.2% at 1.97 million cars. Italian September registrations were up 3.5%, although the year to date total was down 2.3% to 1.73 million cars. In France, on the other hand, the total was 7.5% higher in September, and 4.7% up in the nine months to 1.57 million cars. Spanish registrations increased by 2.5% in the nine months to 1.17 million cars.

Crude steel production in the rest of Europe showed some marked increases in September, although Turkish production only rose by 0.6%, with the year to date increasing by 1.3% to 15.6 million tonnes, making it the 11th largest steel producer in the world. Romanian steel production jumped by 30% in the month, although the cumulative total fell by 5.3% to 4.3 million tonnes. Steel production in Serbia and Montenegro rose by almost 38% in September, with the nine months total up 4.8% to 896 thousand tonnes.

Russian crude steel production in September decreased by 11.3% with the nine months total showing a slight increase of 0.7% to 48.4 million tonnes. Ukrainian steel production fell by 0.6% in September and by 1.9% in the year to date to 28.3 million tonnes. Kazakhstan's nine months total decreased by 20% to 3.3 million tonnes.

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On the North American continent US September crude steel production fell by 7%, bringing the year to date total to 69.4 million tonnes, a drop of 6.2%. Canadian production fell by 13.6% in September, while the year to date total decreased by 5.1% to 11.6 million tonnes. Mexican steel production, however, increased by 0.8% in September, with the nine months total down 0.4% to just under 12.5 million tonnes.

In South America Brazilian crude steel production decreased by 7.5% in September, and by 4.1% in the year to date to 23.7 million tonnes. Argentinian production fell by 2.2% in September, but was up by 7.4% in the nine months to 4 million tonnes. Venezuelan crude steel production, on the other hand, decreased by 12% in September, although the year to date total was up 3.3% to 3.5 million tonnes.

In Africa and the Middle East, South African crude steel production decreased by 1.8% in September, reaching 7.2 million tonnes in the January to September period, an increase of 2.5%. The second largest producer in the region, Iran, saw steel production rise by 8.6% in September, and by 9.8% in the year to date to 7 million tonnes. In Egypt, year to date production increased by 18% to 4.2 million tonnes, while in Saudi Arabia, year to date production was up 8.7% to 3.1 million tonnes.

The five major Asian countries - China, India, Japan, South Korea and Taiwan – all showed an increase in steel production in the year to date, although Japan and Taiwan were down in September. Chinese production grew by 22% in September and by 27.4% in the year to date to 255.3 million tonnes. Japanese production was down slightly in the month by 0.4%, bringing the cumulative total up 0.7% to 84.6 million tonnes. In South Korea production rose by 3.7% in September, and by 0.6% in the nine months to 35.3 million tonnes. India's steel production was 14% higher in September, bringing the year to date total up 14.6% to 27.5 million tonnes. This makes India the eighth largest steel producer in the world after the Ukraine. Taiwanese production decreased by 0.6% in September, and was flat in the year to date at 14.5 million tonnes.

China is by far the largest importer of stainless steel with imports of 2.9 million tonnes in 2004, more than double that of France, the second largest importer. However, while French imports of stainless fell by 11% in the first 8 months of 2005 compared to the same period in 2004, Chinese imports jumped by 19.4% to 2.25 million tonnes. Over half the Chinese total in 2005 was stainless hot rolled wide strip (1.36mt), with stainless CR imports next at 684kt. The largest source of Chinese imports was South Korea, 583kt, although this total was 6% down on the previous year. Taiwan increased its stainless exports to China by 26% to 568kt, with Japan in third place at 296kt, 5.4% down on 2004. India increased its stainless exports by 30% to 169kt, and Italy's more than doubled to 147kt.

Although China is only 16th in the list of the world's largest exporters of stainless steel, its exports grew by 29% in the first eight months of 2005. It also has ambitious expansion plans so this is likely to increase. Markus Moll of Steel and Metals Market Research forecast that China's Shanxi Taigang works could become the world's largest producer of stainless CR within 5 years. On the other hand, Japan's largest stainless steel producer, NSSC, stated that it will cut output by about one third in the fourth quarter of 2005 (Metal Bulletin, 20 October).

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In Europe the stainless market has weakened with EU25 imports falling by 13% in the first six months of 2005, and exports remaining flat. The Finnish producer, Outokumpu, has decided to cut production at its UK Sheffield mill and close the cold rolling plant. This should enable its Tornio works in Finland to operate more efficiently. However, up to 670 jobs will be lost in Sheffield (Metal Bulletin, 25 October).

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