

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, December 2005



Crude steel production in the 61 countries reporting to the IISI totalled 96.6 million tonnes in October, 4.6% up on October 2004. The ten months total was 915.4 million tonnes, 6.2% higher than the same period last year. However, excluding China, there was 1.1% fall in global steel production in the ten months. This was because the EU, the CIS, North and South America all showed a fall in steel production in both the month and the January to October total.

Steel production in the 25 member countries of the European Union fell by 2.5% in October to 16.4 million tonnes; the ten months total was 3.9% lower at 155.3 million tonnes. German production actually rose in October by 5.6%, although the ten months total was down 3.6% at 37.4 million tonnes. Production in France increased by 0.6% in October, although the year to date total was 6.2% down at 16.2 million tonnes. Production in Italy rose by 2.9% in October, bringing the year to date total up 3.4% to 24.4 million tonnes. Spanish steel production, however, fell by 13.4% in October, with the ten months total down 1.5% to 14.7 million tonnes. UK crude steel production decreased by 8.8% in October, while the year to date total fell by 5.4% to 11.1 million tonnes. The Belgian ten months total was down 10.3% to 8.75 million tonnes, while in Poland the total fell 22.9% to just under 7 million tonnes.

European car registrations published by ACEA show a fall of 2.6% in October, with the ten months total down by 0.3%. Three of the big five producers showed a drop in registrations in October, the exception being Germany where registrations were up by 3%, and Italy, where they rose by 5.5%. French registrations fell by 5.8%, Spanish registrations were down by 9.6%, and the UK total fell by 10.8%. However, German registrations were up 3.3% in the ten months to 2.8 million cars, with the UK total down 5.6% at 2.1 million. In Italy the year to date registrations were down 1.5% at 1.9 million cars, while French registrations rose by 3.6% to just over 1.7 million. Spanish registrations were 1.3% up at almost 1.3 million cars.

In the rest of Europe the largest producer is Turkey, where steel production increased by 3.5% in October, and by 1.5% in the year to date to 17.4 million tonnes, over one million tonnes ahead of the French total for the ten months. Romanian steel production decreased by 3.2%, with the year to date total down 5.1% to 4.8 million tonnes. The ten months total for Serbia and Montenegro was 10.5% up at just over one million tonnes.

In the CIS countries crude steel production in Russia fell by 7.8% in October which left the year to date total flat at 53.5 million tonnes. Ukrainian October production increased by 7.7%, but the ten months total was down 1.7% at 31.6 million tonnes. Steel production in Kazakhstan decreased by 15.4% in the year to date to 3.7 million tonnes.

Steel production in North America was down in the three major countries, with the United States October crude steel production down 7.6%, bringing the year to date total to 77.4 million tonnes, 6.3% down on 2004. Canadian production fell 5% in October, with the ten months total also

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

down 5% at 13.0 million tonnes. Mexican steel production decreased by 11.1% in the month, while the year to date total fell by 2.8% to 13.5 million tonnes.

While US steel imports have fallen over the last 3 months, bringing the year to date total down by 4.4% to 22.5 million tonnes, exports have risen by 20% to reach 7 million tonnes. 61% of the total exported went to Canada, with a further 20% going to Mexico. Only 6% went to the EU25 countries. Hot rolled coil accounted for 1.2 million tonnes of the tonnage exported, with coated sheet and strip accounting for a further one million tonnes. Tubes, pipes and fittings exports reached 924 thousand tonnes.

In South America, Brazilian crude steel production decreased by 1% in October, bringing the year to date total down 3.8% to 26.3 million tonnes compared to last year. Argentinian production in October fell by 6.2%, while the ten months total was up 5.9% at almost 4.5 million tonnes. Venezuelan crude steel production only fell 1.4% in October, while the year to date total was 2.8% up at 3.9 million tonnes.

Middle Eastern steel is continuing to grow with Iranian production in the ten months up 9% to 7.8 million tonnes, almost equal to the South African year to date total of 8 million tonnes, an increase of 1.9%. In Egypt steel production rose by 28% in the month and by 19.5% in the year to date to 4.7 million tonnes, while Saudi Arabian production during January to October was up 7.6% to almost 3.5 million tonnes. Libyan year to date production jumped by 33% to 1.1 million tonnes.

In Asia only Chinese and Indian crude steel production showed significant increases. Chinese production was up 18.9% in October and by 26.5% to 286.8 million tonnes in the ten months. Indian steel production rose by 20% in the month, with the year to date total up 15.4% to 30.9 million tonnes. Japanese production showed a slight fall in the month, with the year to date total up 0.6% to 94.2 million tonnes. South Korean steel production reached 39.5 million tonnes in the ten months, up 0.6%, and rose by 0.7% in the month. Taiwanese steel production, on the other hand, fell by 5.9% in October, and by 0.5% to 16.1 million tonnes in the January to October period.

Although Chinese steel exports have fallen significantly over the last 3 months, the cumulative September total at 21.7 million tonnes still exceeds total imports at 21.2 million tonnes. While many steel companies in the world are increasing their prices to cover increasing costs, the largest Chinese steel producer, Baosteel, has announced cuts in its ex works prices of more than 10% in the first quarter of 2006, with the price of certain grades of CR coil cut by 25% (Steel Business Briefing, 23 November).

Indian steel exports are currently running at 2.9 million tonnes in the first 6 months of 2005, an increase of 7% over 2004. According to Steel Business Briefing (23 November) the Indian government intends to increase this six-fold over the next 15 years which would raise India from 18th place among the world's largest steel exporters to well inside the top 10.

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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:
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