WORLD STEEL REVIEW
Iron & Steel Statistics Bureau, January 2019

Production of crude steel for the 67 countries reporting to the World Steel Association in November was estimated to be 149 million tonnes. This was 5.8% above the tonnage in November 2017, and the year to date was 4.7% above same period of 2017 at 1,647 million tonnes. China is still growing at a faster rate than the rest of the world and in November this was very pronounced as excluding China, the total was just 0.7% higher than in November 2017 and the year to date total was 2.6% up on 2017.

In the European Union crude steel production for the 28 countries increased by 1.2% in November, compared to November 2017, to 14.1 million tonnes. This brought the year to date total down 0.5% at 154 million tonnes. There were mixed fortunes for the major producers. Germany, Italy, the Netherlands, Poland, Spain and the UK all saw declines in production but this was offset by a particularly strong showing by France and increases elsewhere such as Belgium and Austria.

Turkish steel production decreased for the fourth consecutive month, down by 2.1% to 3.1 million tonnes in November but was up by 0.7% to 34.4 million tonnes in the year to date. Serbia’s production in the year to date jumped by 39% to 1.8 million tonnes. Bosnian steel production was down by 9.4% in the year to date at 616 thousand tonnes, while in Norway steel production fell by 3.2% to 531 thousand tonnes.

Although still up on the year to date, Turkish steel production has been slowing down in recent months. This is symptomatic of a reduction in demand with imports falling by 9% and exports increasing by 21%. The fall in imports is mainly due to a decrease in HRC shipments from France, Russia and China. The growth in exports has been driven by an increase in wire rod shipments to Benelux, Romania and Israel; an increase in rebar exports to Europe, East Africa, Canada and Asia; and a growth in HRC exports to Italy, Portugal, Spain and Belgium.

According to the ACEA, In November 2018, passenger car demand fell by 8%, marking the third consecutive month of decline across the EU. Ahead of the introduction of the new WLTP test in September, car registrations jumped by +31% in August, which led to a drop in demand in the following months. Also in November, the market continued to contract in most EU countries, including the five biggest car markets.

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From January to November 2018, registrations of new passenger cars in the EU increased slightly (+0.8%) compared to one year ago. Demand continues to be fuelled by Central Europe, where new car registrations went up by 9.6% so far this year. Looking at the major EU markets, Spain (+8.0%) and France (+4.7%) posted solid growth from January to November 2018, while registrations fell in Italy (-3.5%) and the United Kingdom (-6.9%) during the same period.

Overall, the CIS region saw production down 5.9% in November. Russian crude steel production was down by 4% to 6.6 million tonnes, while the year to date total was 0.9% higher at 65.8 million tonnes. Ukrainian monthly production was down by 11.2%, bringing the year to date total to 19.2 million tonnes, down by 1.1% year on year. In Kazakhstan the year to date total was down by 0.8% to 4.2 million tonnes, while in Belarus it increased by 4.8% to 2.2 million tonnes.

On the North American continent, Donald Trump's steel tariffs seem to be having an effect. US crude steel production increased by 11.8% in November and by 5.7% to 79.2 million tonnes in the year to date. This was at the expense of Canadian steel production which was down 4.1% in the month, and 4.4% lower in the year to date at 11.9 million tonnes, and Mexican steel production which decreased by 8.2% in November, but grew by 1.3% in the year to date to 18.5 million tonnes.

Following the introduction of steel tariffs, US steel production has seem some considerable strength. There is evidence that domestically produced steel has been replacing imports and that more steel produced in the country is remaining in the US, as evidenced by a 13% decrease in exports, mainly driven by a fall in shipments to Canada and Mexico. Of the reduction in imports, the worst hit countries have been Turkey, Russia, India, South Korea, Japan and Taiwan.

Overall production was rather mixed in the South American region. Brazilian production declined by 6% in November, but remained 1.8% higher in the year to date at 32.1 million tonnes. Argentinian steel production increased by 4.8% in the month, bringing the year to date total to 4.8 million tonnes, an increase of 13%. In Colombia the monthly total increased by 5%, while the annual total was down 1.7% at 1.1 million tonnes. Peruvian steel production was 1.7% up in the year to date to 1.1 million tonnes. Chilean year to date steel production was down 0.9% year on year at 1.1 million tonnes. Meanwhile, steel production in Venezuela continued to show weakness, falling by 85% in the month and 69% in the year to date to just 126 thousand tonnes.

In Africa, South African steel production was 4.1% lower in November but was 1.8% up in the year to date to 5.9 million tonnes. Egyptian production increased by 16.4% in November and by 15.9% in the year to date to 7.2 million tonnes. In the Middle East, growth in Iran slowed somewhat with a 2.5% increase in steel production in November with the year to date total up by 17% to 22.6 million tonnes. Saudi Arabian steel production increased by 10.5% in the year to date to 5 million tonnes. Production in the United Arab Emirates fell by 2.3% in the year to date to 3 million tonnes.

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Turning to the Far East, Chinese steel production increased by 10.8% in November to 85.7 million tonnes, bringing the year to date total up by 6.7% to 857 million tonnes. Japan's November production was down by 0.5%, while the year to date total was 0.1% lower at 95.9 million tonnes. Crude steel production in India was down 1.3% in the month, making 96.9 million tonnes in the year to date, an increase of 4.9% on the previous year and overtaking Japan to become the second largest producer of steel. South Korea's production was up 1.1% in November, while the year to date total was up by 2% to 66.3 million tonnes. Taiwan's monthly production rose by 8.4%, bringing the year to date total to 21.1 million tonnes, an increase of 2.6%. Vietnam's year to date total increased by 35.9% to 12.8 million tonnes.

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