

## **WORLD STEEL REVIEW**

### **Iron & Steel Statistics Bureau, February 2017**



The World Steel Association estimated global crude steel production for the full list of 98 countries to be 1629 million tonnes in 2016, just 0.8% above the annual 2015 total of 1615 million tonnes. China accounted for 49.6% of this total, and the annual total excluding China only increased by 0.4% compared to 2015. Looking at regions the European Union, Africa and South America showed a fall in crude steel production in 2016, whereas other regions increased production.

#### European Union

Total crude steel production for the 28 countries of the European Union in December actually rose by 13.6%, although the annual total was down by 2.3% to 162 million tonnes, 10.0% of the world total. Germany made nearly 26% of the EU annual total at 42.1 million tonnes, which was slightly less than in 2015, although the December total was up by 8.2%. Italian steel production jumped by 19.8% in December, and was 6% up in the year to date at 23.3 million tonnes. French December production was almost 40% up, although the year to date total at 14.6 million tonnes, was a decrease of 2.3%. Spanish steel production fell by 1.5% in December making the year total 13.7 million tonnes which was 8% down on 2015. Steel production in the UK, however, fell by 8.8% in December, while the year to date total decreased by 31% to 7.6 million tonnes. The 12 months total in Poland decreased by 2.8% to 8.9 million tonnes, while the Belgian total rose by 5.9% to 7.7 million tonnes.

Trade in steel by the EU28 with countries outside the Union was largely positive up to April 2015 with exports exceeding imports in most months. However, since May 2015 the balance of trade has been negative in every month rising to over one million tonnes in August, September and October 2016. In October imports were 3.7 million tonnes compared to exports of less than 2.4 million tonnes. The two largest contributors to the negative balance of trade in October 2016 were semis (billets and slabs) and hot rolled wide coil. The countries with the largest negative balance of trade with the EU28 in October were Russia, Brazil, Ukraine, China and India.

#### Other Europe

In Turkey, the largest West European steel producer outside the European Union, crude steel production was 33.2 million tonnes in 2016, an increase of 5.2% compared to 2015 making it the eighth largest producer in the world; the December total rose by 6.2%. Annual steel production in Serbia increased by 22.7% in 2016 to nearly 1.2 million tonnes, while in Bosnia-Herzegovina production declined by 1.6% to 806 thousand tonnes.

European car registrations increased by 3.2% in December 2016 compared to the

previous year, according to ACEA and the year total increased by 6.5% to 15.1 million cars. German registrations increased by 4.5% to 3.35 million cars in 2016, while the UK total rose by 2.3% to 2.7 million cars. In France registrations increased by 5.1% to 2 million cars, while in Italy registrations jumped by 15.8% to 1.8 million cars, Spanish registrations rose by 10.9%, to 1.15 million cars. The Belgian annual total reached 539 thousand cars, an increase of 7.7%.

### The CIS countries

The countries of the former USSR showed an increase of 6.6% in crude steel production in December while the annual total was up by 0.8% to 102 million tonnes, 6.3% of world production. Russian steel production was 8% up in December and just 0.1% down in the year to date to 70.8 million tonnes making it the fifth largest producer in the world, just ahead of South Korea. Ukrainian December production increased by 4.5% raising the annual total by 5.5% to 24.2 million tonnes. Annual steel production in Kazakhstan increased by 8.5% in 2016 to 4.2 million tonnes, while production in Belarus dropped by 11.2% to 2.2 million tonnes.

### North America

North American production accounted for 6.8% of the world's total, with production in the USA falling by 0.3% in the year to date to 78.6 million tonnes, making it the fourth largest steel producer in the world after India. The US December production showed an 11% increase on December 2015. Canadian annual crude steel production was 1.6% higher at 12.7 million tonnes, while the December month total decreased by 3.7%. Mexican December production jumped by 24%, while the year total increased by 4.3% to 19 million tonnes.

### South America

In South America, crude steel production fell by 11.3% in December, and by 10.6% in the full year to 39.2 million tonnes, just 2.4% of world production. Brazilian annual steel production was down by 9.2% to 30 million tonnes, while the December total fell 12.7%. Argentinian steel production, on the other hand, fell by 15.9% in the month, bringing the annual total down by 17.9% to 4.1 million tonnes. Annual steel production in Colombia increased by 9.7% to 1.3 million tonnes, while in Peru it was up by 8.2% to 1.2 million tonnes. In Chile steel production rose by 4% to nearly 1.2 million tonnes.

### Africa and the Middle East

Steel production in Africa and the Middle East accounted for 2.7% of the world total. African production decreased by 4.4% to 13.1 million tonnes in 2016, while in the Middle East it rose by 7% to 31.5 million tonnes. Iran was the largest producer in the region with an annual total of 17.9 million tonnes, an increase of 10.8% from the year before. South Africa's steel production actually declined by 4.3% to 6.1 million tonnes in 2016. Egypt's annual total, however, fell by 8.5% to 5 million tonnes, while Saudi Arabian steel production increased by 4.4% to 5.5 million tonnes. Qatar made 2.5 million tonnes of steel in 2016, 2.8% below the previous year. The UAE total, on the other hand, was 4.8% up at 3.1 million tonnes.

## Asia

Crude steel production in the Asian countries increased by 1.6% in the year to over 1.1 billion tonnes, 69% of world production. China's December production was 3.2% higher, bringing the year to date total up by 1.2% to 808 million tonnes. Japan's annual crude steel production was just 0.3% down in 2016 at just below 105 million tonnes, while the monthly total increased by 1.5%. India increased its annual production by 7.4% to 95.6 million tonnes, making it the third largest steel producer in the world. South Korean steel production in December fell by 0.2%, while the year to date total decreased by 1.6% to just under 68.6 million tonnes in 2016. Crude steel production in Taiwan rose by 12.7% in December, and by 0.9% in the year to 21.6 million tonnes. Steel production in Vietnam jumped by 20% in 2016 to 6.8 million tonnes. Australia's annual total, on the other hand, increased by 6.8% to 5.3 million tonnes.

Global exports of ferrous scrap in the last 3 years declined from a peak of 862 thousand tonnes in May 2014 to 510 thousand tonnes in January 2016. Exports then rose to a high of 822 thousand tonnes in May 2016 before dropping slightly and then levelling off. The USA is the largest exporter of scrap in the world followed by Japan and the United Kingdom; Germany dropped to fourth place in 2016. Turkey is by far the largest importer of scrap followed by India and South Korea.

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