

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, February 2018



Production of crude steel for the 67 countries reporting to the World Steel Association in December was estimated to be 138 million tonnes. This was 3.9% above the tonnage in December 2016, and the year was 5.5% above the total for 2016 at 1.675 billion tonnes. Excluding China, the December total was 6% higher than in December 2016 and the annual total was 5.3% up on 2016. China accounted for just under 50% of world steel production in 2017.

In the European Union crude steel production for the 28 countries rose by 5.8% in December to 13.6 million tonnes, compared to December 2016. This brought the annual total up 4.1% at 168.7 million tonnes. All of the major producers saw growth. France saw production up 6.2% with the annual total up 7.6% to 15.5 million tonnes. German steel production was very strong in December, rising by 11.5%, and the annual total at 43.6 million tonnes was 3.5% higher than the previous year. Italian steel production increased by just 0.3% in December, and was 2.9% up in the year to 24 million tonnes. Spain had another strong month with growth of 11.5% in December, bringing the annual total up by 6.2% to 14.5 million tonnes. Poland saw continued, but slowed growth with production increasing by 6.3% in December and 14.8% in the year to 10.3 million tonnes. The UK saw a decline in crude steel production, falling by 9.8% in December and 1.7% in the year as a whole.

The decline in UK production has been reflected in a fall in exports which were down 3%. This has been driven by a 33% decline in welded tube exports relating to a large shipment of line pipe to Bulgaria that was not repeated this year; a decrease in heavy section exports to Turkey and a fall in other metal coated sheet to Spain and Portugal.

Turkish steel production rose by 15.1% to 3.3 million tonnes in December and by 13.1% to 37.5 million tonnes in the year. Serbia's production in the year jumped by 24.6% to 1.5 million tonnes compared to 2016. Bosnian steel production was down by 6.2% in the year to 756 thousand tonnes, while in Norway steel production fell by 1.6% to 610 thousand tonnes.

According to ACEA, the European car manufacturers association, In December, registrations of new passenger cars in the EU totalled 1,088,498 units. Demand decreased by 4.9% compared to the same month last year, mostly driven by the fact that there was one fewer working day this December. Nearly all major EU markets contracted with the exception of Spain, which grew by 6.2%. The UK's car market posted its ninth straight month of decline, with registrations falling by 14.4% in December.

Overall, the CIS region saw a decrease in production. Russian crude steel production was 4.2% down in December at 5.9 million tonnes, while the year to date total was 1.3% up at 71.3 million tonnes. Ukrainian monthly production was up by 2.4%, bringing the annual total to 22.7 million tonnes, a decrease of 6.4%. In Kazakhstan the annual total was up by 3.8% to 4.5 million tonnes, while in Belarus it increased by 8.5% to 2.4 million tonnes.

On the North American continent US crude steel production was robust, increasing by 4.4% in December and by 4% to 81.6 million tonnes in the year. Canadian steel production was very strong, 21.5% up in the month, and 8.3% higher in the year to 13.7 million tonnes. Mexican steel production was also strong, and increased by 11.9% in December, and rose by 6.3% in the year to 20 million tonnes.

Crude steel production in the South American countries generally healthy with Brazilian production very strong, rising by 19.2% in December, and 9.9% in the year to 34.4 million tonnes. Argentinian steel production was also very strong, increasing by 21.8% in the month, bringing the annual total to 4.6 million tonnes, an increase of 12.1%. In Colombia the monthly total increased by 7.8%, while the annual total was down 0.5% at 1.3 million tonnes. Peruvian steel production was 1.9% up in the year to 1.2 million tonnes. Chilean annual steel production was up 1.1% year on year at 1.2 million tonnes. Meanwhile, steel production in Venezuela continued to be weak, falling by 48.5% in the month and 15% in the year to date to just 470 thousand tonnes.

The strength in Argentinian production is also reflected in a growth in exports. Shipments from the country increased by 28% in the first eleven months of the year. This growth was driven by the start of rail shipments to Brazil and an increase in seamless tube exports to the US, Middle East and Thailand.

In Africa, South African steel production was 20.9% higher in December and was 2.6% up in the year to 6.3 million tonnes. Egyptian production increased by 12.9% in December and by 35% in the year to 6.8 million tonnes, overtaking South Africa to become the largest producer on the continent. In the Middle East, Iran showed continued strength with a 30.2% increase in steel production in December with the annual total up by 21.4% to 21.7 million tonnes. Saudi Arabian steel production, however, fell by 12.6% in the year to date to 4.8 million tonnes. Production in the United Arab Emirates rose by 5.1% in the year to 3.3 million tonnes.

Turning to the Far East, Chinese steel production increased by 1.8% in December to 67 million tonnes, bringing the annual total up by 5.7% to 832 million tonnes, nearly 50% of global production. Japan's December production was up by just 0.1%, while the year to date total was 0.1% lower at 104.7 million tonnes. Crude steel production in India was up 4.9% in the month, making 101.4 million tonnes in the year, an increase of 6.2% on the previous year. South Korea's production increased by 4.5% in December, while the year to date total was up by 3.6% to 71 million tonnes. Taiwan's monthly production increased by 1.5%, bringing the year to date total to 23.2 million tonnes, an increase of 6.8%. Vietnam's year to date total doubled to 10.3 million tonnes.