

## **WORLD STEEL REVIEW**

### **Iron & Steel Statistics Bureau, March 2018**



Production of crude steel for the 67 countries reporting to the World Steel Association in January was estimated to be 139 million tonnes. This was 0.9% above the tonnage in January 2017. Excluding China, the December total was 2.5% higher than in January 2017.

In the European Union crude steel production growth for the 28 countries was fairly subdued, increasing by 1.5% in January to 14.4 million tonnes, compared to January 2017. Of the main producers, France saw production up 3.3%, German steel production rose by 1.6%, Italian steel production increased by 5.6% in January, but Spain saw a decline of 1.1% in January. Poland saw continued growth but a more modest pace than last year with a rise of 5.4% in January. The UK, Austria and Belgium all saw a contraction in crude steel production.

Turkish steel production grew by 6.9% to 3.2 million tonnes in January, Serbia's production in the year to date jumped by 54.7% to 178 thousand tonnes compared to 2017, Bosnian steel production was up by 38.8% in the year to date to 73 thousand tonnes, while in Norway steel production fell by 8.8% to 54 thousand tonnes.

According to ACEA, the European car manufacturers association, In January, registrations of new passenger cars in the EU totalled 1,253,877 units. Demand increased by 7.1% compared to the same month last year. Nearly all major EU car markets posted growth, except for the United Kingdom (-6.3%), which saw car sales decline for the tenth consecutive month. Spain (+20.3%) and Germany (+11.6%) recorded the strongest gains, followed by Italy (+3.4%) and France (+2.5%).

Overall, the CIS region saw a decrease in production. Russian crude steel production was 3.9% down in January at 5.7 million tonnes, and Ukrainian monthly production was down by 0.1%, bringing the year to date total to 2.1 million tonnes. In Kazakhstan the year to date total was down by 3.6% to 350 thousand tonnes, and production in Belarus was up 30.4% to 230 thousand tonnes.

On the North American continent, there was a decline in crude steel production. US crude steel production decreased by 2.3% in January to 6.8 million tonnes, Canadian steel production was flat in the month at 1.1 million tonnes, and Mexican steel production decreased by 3.6% in January to 1.6 million tonnes.

Crude steel production growth in the South American countries was relatively robust with Brazilian production rising by 1.3% in January to 2.9 million tonnes. Argentinian steel

production increased by 13.8%, in Colombia the monthly total increased by 11.1%, Peruvian steel production was up 1.4% and Chilean steel production was up 1.2%. Meanwhile, steel production in Venezuela seems to have stabilised with an increase of 23.4% in January.

In Africa, South African steel production was 8.6% higher in January at 577 thousand tonnes and Egyptian production increased by 13.2% in January at 660 thousand tonnes. In the Middle East, Iran showed continued strength with a 20.6% increase in steel production in January at 2 million tonnes. Saudi Arabian steel production, however, fell by 17.2% in the year to date to 423 thousand tonnes and production in the United Arab Emirates declined by 12.6% in the year to date at 282 thousand tonnes.

Turning to the Far East, Chinese steel production decreased by 0.9% in January to 67 million tonnes. Japan's January production was up by just 0.3% at 9 million tonnes. Crude steel production in India was up 2.5% in the month, making 9 million tonnes in the year to date, almost exactly the same as the Japanese total. South Korea's production increased by 2.6% in January at 6.1million tonnes, and Taiwan's monthly production increased by 3.7% to 2 million tonnes. Vietnam, Thailand and Pakistan all posted double digit increases.

Following China's 0.9% reduction in crude steel production, exports from the country also continued to decline. The 4.6 million tonnes shipped in January represented a 38% decline on the tonnage exported in January 2017 and was the lowest total since January 2013. The decline has been evident across most products and exports of HR bars, light sections, wire rod and HRC have all at least halved in the month.

Conversely the double-digit growth in Thailand's crude steel production has not entirely filtered through to exports, with tonnage of just 157 thousand tonnes representing a 5% increase. Imports have also grown, however, to nearly 1.3 million tonnes which suggest a growth in the overall market in the country.

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