

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, May 2010



World production of crude steel in March 2010 rose by 31% to 120.3 million tonnes, the highest monthly total since May 2008. The total of the 3 months to date was 342.4 million tonnes, 29% higher than the January to March period in 2009. However, excluding China, the total for the quarter was 33% up on Q1 2009, with the monthly total 38% higher. All regions showed an increase in crude steel production in both March and the year to date.

Crude steel production in the European Union 27 jumped by 47% in March to 15.2 million tonnes compared to March 2009, and was 37% up in the quarter at 42.1 million tonnes. German steel production was 91.5% up in March, and 49% higher in the three months to 10.9 million tonnes. Italian production increased by 43.5% in March, and by 30% in the quarter to 6.4 million tonnes. Spanish steel production rose by 33% in March, bringing the year to date total up 37% to 4.3 million tonnes. French steel production increased by 40% in March, and by 27% in the three months to 3.7 million tonnes. UK steel production only showed an increase of 1.5% in March due to the closure of a major works, and was 21% up in the year to date to 2.5 million tonnes. Greece was the exception as steel production fell by 5.7% in March and by 29% in the quarter.

The March crude steel production figures show clear evidence that most European countries are beginning to come out of the recession although the quarter total at 42.1 million tonnes was still 21.5% below the same quarter in 2008 indicating that there is still some way to go.

The United Kingdom currently has an advantage in trade with a weak sterling which makes exports cheaper and imports more expensive. However, exports of steel have fallen from a high of 682 thousand tonnes towards the end of 2009 to 540 thousand tonnes in February. Imports of steel, on the other hand, have risen to 441 thousand tonnes in February, although this was still below the October 2009 peak of 483 thousand tonnes.

German steel imports have started to rise again with February 2010 at 1.6 million tonnes being the second highest monthly total since November 2008. German exports of steel are also beginning to rise again with the February 2010 total at 1.9 million tonnes which was the third highest monthly total since November 2008.

Outside the European Union, Turkish production increased by 19.7% in March, and by 7.6% in the three months to 6.1 million tonnes. First quarter production in Switzerland rose 31.7% to 334 thousand tonnes, while in Serbia it jumped by 84% to 355 thousand tonnes compared to Q1 2009. Norwegian production actually fell by 16% in the quarter to 121 thousand tonnes.

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According to ACEA, the European vehicle manufacturers association, car registrations in the 28 European countries monitored increased by 12% in March, and by 11% in the first three months of 2010 compared to 2009. In Germany, registrations fell by 26.6% in March, bringing the three month total down 23% to 670 thousand units. Italian registrations, however, jumped by 20% in March, with the quarter total up by 23% to 666 thousand units, only just below the German total. UK registrations showed an increase of 26.6% in the month, with the year to date total up by 27% to 612 thousand units. French registrations were 18% up in the month, bringing the year to date total up 17% to 595 thousand units. In Spain registrations jumped by 63% in March, bringing the quarter total up 44.5% to 286 thousand units.

In the former USSR, Russia showed an increase in steel production of 20% in the month and 22% in the quarter to 15.7 million tonnes. In the Ukraine production rose by 26% in March, and by 14.6% in the quarter to 8.1 million tonnes. Production in Kazakhstan showed a 2% drop in March, with the three months total down by just 0.6% to 871 thousand tonnes.

Crude steel production in the USA jumped by 74% to 6.9 million tonnes in March, bringing the first quarter total up 61.5% to 19.4 million tonnes. Mexican production was 28% up in the month, with the three months total 33% higher at 4.1 million tonnes. Canadian steel production rose by 56% in March and by 38% in the year to date to 3.2 million tonnes.

South America is dominated by Brazil where steel production increased by 63% in March with the year to date total up 59% to 8 million tonnes. In Argentina production rose by 82% in the month bringing the year to date total to 1.2 million tonnes, an increase of 49% on the first quarter of 2009. Venezuelan steel production, on the other hand, barely rose in March, and was 31% down in the three months at 921 thousand tonnes.

In Africa, the South African three month total rose by 26% to 2.1 million tonnes, while the Egyptian total was up 11% to 1.5 million tonnes. In the Middle East Iranian steel production fell by 5.6% in March, bringing the first quarter total down 1.7% to 2.9 million tonnes, while Saudi Arabian steel production decreased by 2% in March, bringing the three months total to 1.3 million tonnes, an increase of 42% on Q1 2009.

The five major Asian countries for which monthly crude steel production data are available showed increased production in both March and the year to date. Chinese steel production increased by 22.5% in March to 55 million tonnes, while the three months total rose by 24.5% to 158 million tonnes, 46% of the world total in 2010. Japan's production jumped by 63% in March, with first quarter production up 51% to 26.5 million tonnes. Indian steel production in March was 9.2% higher, with the three months total up 13% to 16.3 million tonnes. Production in South Korea increased by 30% in March, bringing the year to date total up by 29% to 13.2 million tonnes. Taiwanese production was 40% up in the month, bringing the first quarter total to 5 million tonnes, an increase of 51.5% on January to March 2009.

Chinese imports of steel in February 2010 reached their lowest monthly total since January 2009. At 1.2 million tonnes it was almost half the May 2009 total. February exports also dropped from the peak in December 2009, but were still well above most of the monthly totals in 2009.

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The Chinese are still importing significant quantities of CR sheet and coated sheet, which together accounted for half the total imports in February 2010. Imports of semis have dropped considerably from the peak in mid 2009, down from 700 thousand tonnes in May 2009 to only 45 thousand tonnes in February. The largest exports are HR wide strip and HR plate which together accounted for 34% of total exports in February 2010; seamless and welded tubes accounted for a further 17% of total exports.

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