

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, May 2015



Production of crude steel by the 65 countries monitored by the World Steel Association in March 2015 fell by 2.7% to 138 million tonnes. The total of the 3 months to date was 400 million tonnes, some 1.8% lower than the January to March period in 2014. However, excluding China, the monthly total was 4.1% less than in March 2014, and the quarter total was 1.9% below the same quarter in 2014. China still accounted for 50% of world steel production in the first quarter of 2015.

Crude steel production in the European Union 28 decreased by 0.9% in March to 15.3 million tonnes compared to March 2014, and was 0.6% down in the quarter at 43.7 million tonnes. German steel production was down by 4.4% in the month, and by 2% in the three months at 11.1 million tonnes. Italian production, however, decreased by 9.8% in March, and by 10.2% in the quarter to 5.9 million tonnes. French steel production, on the other hand, rose by 3% in March, bringing the year to date total down 1.7% to 4 million tonnes. Spanish steel production fell by 5.1% in March, but was 0.3% higher in the three months at 3.7 million tonnes. United Kingdom steel production decreased by 0.8% in March, and by 2.4% in the year to date to 3.1 million tonnes. Polish production was up 20% in the month and 14.3% in the quarter.

Outside the European Union, Turkish steel production fell by 4.1% in March, and by 8.8% in the three months to 7.7 million tonnes. First quarter production in Norway decreased by 2.2% to 150 thousand tonnes compared to Q1 2014, while Bosnian production rose by 10.6% to 230 thousand tonnes and Serbian steel production jumped by 39% to 225 thousand tonnes.

According to ACEA, the European vehicle manufacturers association, car registrations in the 29 European countries monitored rose by 10.8% in March, and by 8.5% in the first three months of 2015 compared to 2014. In Germany registrations increased by 9% in March, bringing the three month total up 6.4% to 758 thousand units. UK car registrations rose by 6% in March, with the quarter total up by 6.8% to 735 thousand units. In France registrations increased by 9.3% in the month, with the year to date total up 6.9% to 477 thousand units. Italian registrations jumped by 15% in the month, bringing the year to date total up 13.5% to 428 thousand units. In Spain registrations increased by 40% in March, bringing the quarter total to 267 thousand units, an increase of 32%. These five countries accounted for 73% of all registrations in the first quarter.

In the former USSR, Russia only showed an increase in steel production of 0.2% in the month and 4.5% in the quarter to 18 million tonnes. In the Ukraine production actually fell by 35.6% in March, and by 31.5% in the quarter to 5.2 million tonnes. Production in

Kazakhstan fell by 4.8% in the quarter to 804 thousand tonnes, while in Belarus production increased by 16.8% to 646 thousand tonnes.

Crude steel production in the USA dropped by 12.7% in March to 6.55 million tonnes, leaving the first quarter total down 7.6% at 20 million tonnes. Mexican production decreased by 5.2% in the month, with the three months total 5% lower at 4.7 million tonnes. Canadian steel production, on the other hand, increased by 3.1% in March, and by 0.4% in the year to date to 3.1 million tonnes.

South American production varied considerably with Brazil showing a 7.4% fall in March with the year to date total up just 0.7% to 8.4 million tonnes. In Argentina production decreased by 8.9% in the month bringing the three months total to 1.2 million tonnes, a drop of 4.5% on the first quarter of 2014. Venezuelan steel production, however, rose by 33% in March, resulting in a 7.3% increase in the three months to 418 thousand tonnes. In Peru the three months production was up by 2.2% to 281 thousand tonnes. Colombia's quarter total was 270 thousand tonnes, down 1.3%, but Chile's total was just 0.3% lower at 292 thousand tonnes.

In Africa, the South African monthly total was down by 6.9%, and the total for the quarter fell by 9.4% to 1.6 million tonnes. The Egyptian March total, however, was 8.7% up, while the three months total increased by 10.9% to 1.8 million tonnes. The Algerian three month total rose by 5% to 105 thousand tonnes. In the Middle East Iranian steel production fell by 1% in March, bringing the first quarter total up 9.6% to 4.1 million tonnes, while Saudi Arabian steel production increased by 4.7% in March, although the three months total rose by 3.9% to 1.6 million tonnes.

Of the five major Asian countries for which monthly crude steel production data are available only two showed increased production in both March and the year to date. Chinese steel production decreased by 1.2% in March to 69.5 million tonnes, while the three months total declined by 1.7% to 200 million tonnes, 50% of the world total in 2015. Japan's production fell by 4.5% in March, with the first quarter production down 3% to 26.7 million tonnes. Indian steel production in March, however, was 10% higher, with the three months total increasing by 9.4% to 22.8 million tonnes. Production in South Korea, on the other hand, fell by 11.8% in March, bringing the year to date total down by 6.5% to 16.7 million tonnes. Taiwanese production, however, was 3.9% higher in the month, and the first quarter total was 5.2% up at 5.7 million tonnes.

Chinese exports of steel fell again in March to 7.6 million tonnes following the 25% drop in February exports to 7.7 million tonnes. Exports of long products fell from 3.5 million tonnes in February to 3 million tonnes in March, whereas exports of flat products increased in March to 3.8 million tonnes from 3.3 million.

Exports of ferrous scrap reached over 90 million tonnes in 2014. The USA remained by far the largest exporting country at over 15 million tonnes followed by Germany at 8.4mt, Japan at 7.4mt and the United Kingdom at 7mt. 18 countries exported over one million tonnes of scrap in 2014. Turkey remained the largest importer of ferrous scrap at 19 million tonnes followed by South Korea at 8 million tonnes, India at 5.7 million and Italy at 5.1 million tonnes.

The price of scrap has been falling over the last few years and looking at Turkish imports of shredded scrap (HS code 720449) the price fell from a high of \$472 per tonne in August 2011 to \$337 per tonne in December 2014, a drop of some 29%. However, the price of the same scrap imported by South Korea showed an even greater fall of 48% from \$501 per tonne in March 2011 to \$257 per tonne in March 2015.

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