

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, May 2016



Production of crude steel by the 66 countries monitored by the World Steel Association in March 2016 fell by 0.5% to 137 million tonnes. The total of the 3 months to date was 386 million tonnes, some 3.6% lower than the January to March period in 2015. However, excluding China, the monthly total was 3.9% less than in March 2015, and the quarter total was 4.1% below the same quarter in 2015. China accounted for almost 50% of world steel production in the first quarter of 2016, while the March 2016 total was 51.4% of global steel production.

Crude steel production in the European Union 28 decreased by 8.7% in March to 14.1 million tonnes compared to March 2015, and was 7% down in the quarter at 40.9 million tonnes. German steel production was only down by 1.6% in the month, and by 2.5% in the three months at 10.8 million tonnes. Italian production decreased by 3.5% in March, and by 3.4% in the quarter to 5.8 million tonnes. French steel production, on the other hand, fell by 21.4% in March, bringing the year to date total down 6.1% to 3.8 million tonnes. Spanish steel production fell by 17.2% in March, and was 10.8% lower in the three months at 3.5 million tonnes. United Kingdom steel production dropped by 39.5% in March, and by 38.7% in the year to date to 1.9 million tonnes. Polish production actually rose by 5.2% in the month, but was down 1.3% in the quarter at 2.4 million tonnes.

Outside the European Union, Turkish steel production increased by 1.3% in March, and by 1.9% in the three months to 7.7 million tonnes. First quarter production in Norway rose by 0.6% to 152 thousand tonnes compared to Q1 2015, while Bosnian production fell by 9.6% to 204 thousand tonnes and Serbian steel production fell 19% to 182 thousand tonnes.

According to ACEA, the European vehicle manufacturers association, car registrations in the 29 European countries monitored rose by 5.7% in March, and by 8.1% in the first three months of 2016 compared to 2015. In Germany registrations were flat in March, bringing the three month total up 4.5% to 791 thousand units. UK car registrations rose by 5.3% in March, with the quarter total up by 5.1% to 772 thousand units. In Italy registrations increased by 17.4% in the month, with the year to date total up 20.8% to 519 thousand units. French registrations rose by 7.5% in the month, bringing the year to date total up 8.2% to 516 thousand units. In Spain registrations showed a slight decline in March, bringing the quarter total to 285 thousand units, an increase of 6.9%. These five countries accounted for 73% of all registrations in the first quarter.

In the former USSR, Russia showed a decline in steel production of 2% in the month and 5.2% in the quarter to 17.2 million tonnes. In the Ukraine production jumped by 28% in March, and by 18% in the quarter to 6.1 million tonnes. Production in Kazakhstan rose by 7.7% in the quarter to 935 thousand tonnes, while in Belarus production dropped by 29% to 468 thousand tonnes.

Crude steel production in the USA increased by 4.9% in March to 6.7 million tonnes, leaving the first quarter total down 1.3% at 19.6 million tonnes. Mexican production decreased by 1.5% in the month, with the three months total down 6.6% at 4.4 million tonnes. Canadian steel production, on the other hand, increased by 7.9% in March, and by 10.6% in the year to date to 3.4 million tonnes.

South American production varied considerably with Brazil showing a 9.5% fall in March with the year to date total down 12.3% to 7.4 million tonnes. In Argentina production decreased by 26% in the month bringing the three months total to 986 thousand tonnes, a drop of 17.3% on the first quarter of 2015. Chilean steel production, however, rose by 26.3% in March, resulting in an 11.1% increase in the three months to 306 thousand tonnes. In Colombia the three months production was up by 0.6% to 254 thousand tonnes. Peru's quarter total dropped by 25.4% to 195 thousand tonnes, while Venezuela's total was 61% lower at 171 thousand tonnes.

In Africa, the South African monthly total was down by 14.8%, and the total for the quarter fell by 16.5% to 1.5 million tonnes. The Egyptian March total, however, was 23.7% down, while the three months total dropped by 33.8% to 1.2 million tonnes. In the Middle East Iranian steel production actually rose by 10.6% in March, bringing the first quarter total up 2.2% to 4.2 million tonnes, while Saudi Arabian steel production fell 17.4% in March, and by 21.6% in the three months to 1.2 million tonnes.

Of the seven 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 increased by 2.9% in March to 70.65 million tonnes, its highest monthly total ever, while the three months total declined by 3.2% to 192 million tonnes, almost 50% of the world total in 2016. Japan's production fell by 6.8% in March, with the first quarter production down 3.6% to 25.8 million tonnes. Indian steel production in March, however, was 3.4% higher, with the three months total increasing by 1.8% to 22.9 million tonnes. Production in South Korea, on the other hand, fell by 8.4% in March, bringing the year to date total down by 4.3% to 16.2 million tonnes. Taiwanese production, however, was 14.7% lower in the month, and the first quarter total was 10.6% down at 5.2 million tonnes.

The record monthly total of Chinese steel production is reported to be primarily due to the improved demand in construction within China. However, exports of steel rose by 23% in March compared to February and were 30% above March 2015 at 9.9 million tonnes. It will be interesting to see if April's exports continue to rise. By far the largest product group exported in March 2016 was hot rolled bars and flats at almost 3 million tonnes, 30% of total exports. Exports of hot rolled wide strip were 1.4 million tonnes and exports of rods and bars in coil were 1.2 million tonnes.

Other Asian countries still account for 66% of Chinese exports with South Korea being the largest single market followed by Vietnam and Thailand. South Korea accounted for 14% of Chinese steel exports in March at 1.4 million tonnes, Middle Eastern countries took 8.5% and the European Union took 7.4% of March exports.

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