WORLD STEEL REVIEW
Iron & Steel Statistics Bureau, May 2019

Production of crude steel for the 67 countries reporting to the World Steel Association in March was estimated to be 155 million tonnes. This was 4.9% above the tonnage in March 2018, and the year to date was 4.5% above same period of 2018 at 444 million tonnes. China is still growing at a faster rate than the rest of the world and excluding China, the monthly total was flat compared to March 2018 and the year to date total was 0.8% down on 2018.

In the European Union crude steel production for the 28 countries decreased by 1.2% in March, compared to March 2018, to 15 million tonnes. This brought the year to date total down 2% at 42 million tonnes. There were mixed fortunes for the major producers. Germany and Italy both saw modest declines; Poland declined by 5.2% and Belgium slumped by 25%. Offsetting this was Spain, the UK and France, increasing by 5.9%, 2.3% and 3.4% respectively.

Turkish steel production continued to slump, down by 12% to 3 million tonnes in March and 14.5% to 8.2 million tonnes in the year to date. Serbia's production in the year to date grew by 7.1% to 500 thousand tonnes. Bosnian steel production was up by 6.3% in the year to date at 219 thousand tonnes, while in Norway steel production rose by 7.6% to 161 thousand tonnes.

So far this year Turkish production has been considerably behind that of last year. As well as the 12% reduction in output, there has also been a 30% fall in imports and an 18% increase in exports. Likely as a result of a lack of internal demand, exports of semis to North Africa have seen a significant increase along with HRC and HDG to Italy. The reduction in imports has been felt in a decrease in Semis from Russia and Ukraine; a fall in HRC imports from France, Germany and Ukraine; and a decline in imports of HDG from Italy, Spain and Belgium.

According to the ACEA, In March 2019, the European passenger car market contracted by 3.9%, falling from 1,792,880 units the year before to 1,722,442 last month. Demand decreased in all major EU markets. Italy posted the highest percentage drop (-9.6%), followed by Spain (-4.3%), the United Kingdom (-3.4%), France (-2.3%) and Germany (-0.5%).

Three months into the year, demand for new cars in the European Union declined by 3.3%, totalling 4,032,881 units. In Germany, registrations remained almost flat (+0.2%), while the other key markets performed worse than in the first quarter of 2018 − most notably Spain (-6.9%) and Italy (-6.5%).

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Overall, the CIS region saw production down 1.7% in March. Russian crude steel production was down by 6.9% to 5.8 million tonnes, while the year to date total was 5.3% lower at 16.8 million tonnes. Ukrainian monthly production grew by 15%, bringing the year to date total to 5.5 million tonnes, up by 4.6% year on year. In Kazakhstan the year to date total was down by 10.5% to 1 million tonnes, while in Belarus it increased by 32% to 640 thousand tonnes.

On the North American continent, Donald Trump's steel tariffs continue to have an effect. US crude steel production increased by 5.7% in March and by 6.8% to 22.2 million tonnes in the year to date. Canadian production was less strong, increasing by 3.4% in the month, but 0.8% lower in the year to date at 3.3 million tonnes. Mexican steel production decreased by 3.8% in March, but grew by 4.4% in the year to date to 5 million tonnes.

Overall production was rather mixed in the South American region. Brazilian production declined by 8.6% in March, and was 2.8% lower in the year to date at 8.4 million tonnes. Argentinian steel production decreased by 31% in the month, bringing the year to date total to 1 million tonnes, a decrease of 18%. In Colombia the monthly total increased by 23%, while the annual total was up 3.1% at 284 thousand tonnes. Peruvian steel production was 1.9% down in the year to date to 291 thousand tonnes. Chilean year to date steel production was up 5.8% year on year at 315 thousand tonnes. Meanwhile, steel production in Venezuela continued to show weakness, falling by 65% in the month and 61% in the year to date to just 19 thousand tonnes.

In Africa, South African steel production was 3.1% higher in March but was 0.1% down in the year to date to 1.6 million tonnes. Egyptian production increased by 5.7% in March and by 10.3% in the year to date to 2.1 million tonnes. In the Middle East, growth in Iran continued strongly with a 19.7% increase in steel production in March with the year to date total up by 7% to 6.2 million tonnes. Saudi Arabian steel production increased by 18.4% in the year to date to 1.4 million tonnes. Production in the United Arab Emirates grew by 10% in the year to date to 805 thousand tonnes.

Turning to the Far East, Chinese steel production increased by 10% in March to 80.3 million tonnes, bringing the year to date total up by 9.9% to 231 million tonnes. Japan's March production was flat while the year to date total was 5.4% lower at 25 million tonnes. Crude steel production in India was down 1% in the month, making 27.3 million tonnes in the year to date, a decrease of 0.3% on the previous year. South Korea's production was up 2.8% in March, while the year to date total was up by 1.6% to 18.1 million tonnes. Taiwan's monthly production fell by 0.1%, bringing the year to date total to 5.8 million tonnes, an increase of 9.1%. Vietnam's year to date total increased by 44.9% to 4.1 million tonnes.

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The 10% growth in Chinese production slowly seems to be filtering through to elevated export levels. Whilst they remain comfortably below those of a few years ago, exports grew by 13% in the first quarter. This was driven by an increase in shipments of HR bars to Vietnam and Korea; plate to Vietnam, Korea and Japan; CR to Colombia, Brazil and Taiwan; HDG to Italy, Belgium and Russia; and seamless tubes to Algeria and Korea.

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