

## **WORLD STEEL REVIEW**

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



Production of crude steel for the 67 countries reporting to the World Steel Association in April was estimated to be 147 million tonnes. This was 3.3% above the tonnage in April 2017, and the year to date was 3.2% above same period of 2017 at 571 million tonnes. Excluding China, the April total was 1.7% higher than in April 2017 and the year to date total was 1.6% up on 2017. China accounted for just under 50% of world steel production in Q1 2018.

In the European Union crude steel production for the 28 countries rose by 3.2% in April to 14.9 million tonnes, compared to April 2017. This brought the year to date total up 1.9% at 58.2 million tonnes. There were mixed fortunes for the major producers. France, the UK, Spain and Italy all saw good increases in the month at 10.7%, 8.4%, 7.5% and 3.7% respectively with the year to date figures up 4%, 0.6%, 0.6% and 3.9%. After several periods of good growth, Poland saw a decline of 4.6% in the month, but the year to date figure was up 3.1%. Germany saw some weakness in April with a decline of 1.7% and a fall of 0.2% in the year to date.

Turkish steel production declined by 3.1% to 3 million tonnes in April but was up by 5.1% to 12.5 million tonnes in the year to date. Serbia's production in the year to date jumped by 34% to 635 thousand tonnes. Bosnian steel production was flat in the year to date at 238 thousand tonnes, while in Norway steel production fell by 7.1% to 198 thousand tonnes.

According to ACEA, the European car manufacturers association, the EU passenger car market flattened out after showing robust growth in April. Registrations of new cars were only 0.8% higher than in May 2017, counting 1,398,913 units in total. Results were diverse among the major EU markets, with Spain (+7.2%) and the United Kingdom (+3.4%) posting growth, while Germany (-5.8%) and Italy (-2.8%) saw their demand for cars decline in May.

Overall, the CIS region saw a decrease in production. Russian crude steel production was 15.3% down in April at 5 million tonnes, while the year to date total was 16.1% lower at 19.8 million tonnes. Ukrainian monthly production was up by 6%, bringing the year to date total to 7 million tonnes, a decrease of just 0.2%. In Kazakhstan the year to date total was up by 7.9% to 1.6 million tonnes, while in Belarus it decreased by 17.3% to 594 thousand tonnes.

Despite the large decrease in steel production in Russia, there was no knock on effect on exports with shipments of all products increasing by 1% in the first quarter. A decline in

HRC exports to Turkey was more than offset by an increase in exports of welded tubes to the same country and a growth of rebar exports to various destinations.

On the North American continent US crude steel production was robust, increasing by 3.6% in April and by 2.8% to 27.7 million tonnes in the year to date. Canadian steel production was up 13.8% in the month, and 3.6% higher in the year to date at 4.7 million tonnes. Mexican steel production was also strong, increasing by 13.7% in April, and by 5.9% in the year to date at 7 million tonnes.

Crude steel production in the South American countries was generally strong with Brazilian production robust, rising by 1.9% in April, and 4% in the year to date to 11.6 million tonnes. Argentinian steel production was very strong, increasing by 26% in the month, bringing the year to date total to 1.7 million tonnes, an increase of 25.2%. In Colombia the monthly total decreased by 4.7%, while the annual total was down 7.5% at 392 thousand tonnes. Peruvian steel production was 12.1% up in the year to date to 449 thousand tonnes. Chilean year to date steel production was up 3.5% year on year at 403 thousand tonnes. Meanwhile, steel production in Venezuela continued to be weak, falling by 25.6% in the month and 9% in the year to date to just 157 thousand tonnes.

In Africa, South African steel production was 1.4% lower in April but was 0.7% up in the year to date to 2.1 million tonnes. Egyptian production increased by 16% in April and by 15.7% in the year to date to 2.5 million tonnes. In the Middle East, Iran showed continued strength with a 12.4% increase in steel production in April with the year to date total up by 27.6% to 8.1 million tonnes. Saudi Arabian steel production, however, fell by 8.6% in the year to date to 1.6 million tonnes. Production in the United Arab Emirates fell by 14.1% in the year to 1 million tonnes.

Turning to the Far East, Chinese steel production increased by 4.8% in April to 76.7 million tonnes, bringing the year to date total up by 5% to 289 million tonnes, nearly 50% of global production. Japan's April production was down by 0.4%, while the year to date total was 0.4% higher at 35.1 million tonnes. Crude steel production in India was up 5.6% in the month, making 35.4 million tonnes in the year to date, an increase of 4.2% on the previous year. South Korea's production increased by 7.1% in April, while the year to date total was up by 3.8% to 23.7 million tonnes. Taiwan's monthly production fell by 14.6%, bringing the year to date total to 6.8 million tonnes, a decrease of 12%. Vietnam's year to date total increased by 14.5% to 3.7 million tonnes.

Despite the robust growth in steel production in South Korea, exports declined by 2% driven by a fall in HRC to Bangladesh, Japan and Vietnam; CR to China; and welded tubes to Kuwait. Instead the increased production seems to have displaced imports from overseas with a 30% decline in imports during Q1. This reduction is across various product groups and sources but imports from China seem to have been hit particularly hard, falling by 35%.

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