WORLD STEEL REVIEW
Iron & Steel Statistics Bureau, June 2019

Production of crude steel for the 67 countries reporting to the World Steel Association in April 2019 was estimated at 157 million tonnes. This figure was 6.4% above the tonnage in April 2018. At 600 million tonnes the year to date figure was 4.8% above same period in the previous year. China is still growing at a faster rate than the rest of the world with a year to date growth rate of 10.1% compared with a stable position for non-Chinese producing nations.

In the European Union crude steel production for the 28 countries declined to 14 million tonnes, in April, a drop of 4.2% when compared to April 2018. At 58 million tonnes year to date the shortfall amounted to 2%. There were mixed fortunes for the major producers. Germany suffered the largest decline at 4.9%, closely followed by France at 4.1%, Poland by 3.6%, Italy by 2.9% and the UK by 2.4%. Only Spain, Sweden, Austria and Belgium increased output by 2.3%, 2.3%, 1.7% and 1.6% respectively.

In other Europe, Turkish steel production remained depressed. Although stable in April at 3 million tonnes, the year to date shortfall amounted 11.2 million tonnes or 10.5%. Serbia's production in the year to date grew by 6.8% and Bosnia by 24%. Norway's steel production rose by 7.1% to 212 thousand tonnes.

Turkish production has been hit by two serious setbacks. In addition to being the main "victim" of the USA's introduction of Section 232 legislation, they have experienced a decline in domestic demand as the economy falters. It is therefore not surprising that their steel production is down 10.5% on a year to date basis. In addition to this decline in production, we have also seen a growth in exports as producers look for new markets. In April, shipments from Turkey increased by nearly 28% when compared to April 2018.

According to the ACEA, in April 2019, the European passenger car market recorded a relatively stable performance (-0.4%), counting 1,303,787 new registrations. Demand in the region was mainly driven by the Central European countries, which posted a 4.6% increase last month. Looking at the EU's five largest markets, Spain (+2.6%), Italy (+1.5%) and France (+0.4%) showed slight gains compared to April 2018, but demand in the United Kingdom (-4.1%) and Germany (-1.1%) fell at the same time.

From January to April 2019, demand for new cars in the European Union decreased by 2.6%, counting 5.3 million units registered in total. The German and French markets remained almost flat four months into the year, while registrations declined in Italy (-4.6%), Spain (-4.5%) and the UK (-2.7%) when compared with the same period in 2018.

For further information please contact: Steve Andrews Tel: +44 (0) 20 7343 3916
e-mail: steve.andrews@issb.co.uk website: www.issb.co.uk or write to:
Publications Dept, ISSB Limited, Corinthian House, 17 Lansdowne Road, Croydon CR0 2BX

Overall, the CIS region saw production down 3.7% in April and 3% on a year to date basis. Russian crude steel production was down by 8.3% to 8.2 million tonnes, while the year to date total was 6.1% lower at 32.5 million tonnes. Ukrainian monthly production grew by 12.6%, bringing the year to date total to 7.4 million tonnes, up by 6.6% year on year. In Kazakhstan the year to date total was down by 8.9% to 1.4 million tonnes, while in Belarus it increased by 22% to 855 thousand tonnes.

On the North American continent, the America First policy is benefitting domestic steel producers as steel tariffs continue to have an effect. US crude steel production increased by 7.3% in April and by 6.7% to 29.6 million tonnes in the year to date. Canadian production was less robust, increasing by 1% in the month, and stable on a tear on year basis at 4.5 million tonnes. Mexican steel production decreased by 8.2% in April and by 7.1% on a year to date basis to 6.5 million tonnes.

Turning to Asia, Chinese steel production increased by 12.7% in April and 10.1% on a year to date basis. Chinese production reached 85 million tonnes in April, 315 million tonnes year to date and represented 52.5% of global steel production. Japan output in April was flat while the year to date total at 33.6 million tonnes was 4.3% lower. Crude steel production in India was 1.5% higher in the month, but flat at 36.1 million tonnes in the year to date. South Korea's production was up 1.4% in April, while the year to date total was up by 2.8% to 24.4 million tonnes. Taiwan's monthly production fell by 5%, bringing the year to date total to 7.6 million tonnes, an increase of 3.2%. Vietnam's year to date total increased by 42.5% to 5.4 million tonnes.

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. In April, export levels seem to have stabilised, showing no change when compared to Q3, and declining by just 1% when compared to Q4 last year.

Steve Andrews
ISSB Ltd

For further information please contact: Steve Andrews Tel: +44 (0) 20 7343 3916
e-mail: steve.andrews@issb.co.uk website: www.issb.co.uk or write to:
Publications Dept, ISSB Limited, Corinthian House, 17 Lansdowne Road, Croydon CR0 2BX