

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, July 2011



Production of crude steel for the 64 countries reporting to the World Steel Association in May was estimated to be almost 130 million tonnes, the highest ever monthly total. This was 4.2% higher than in May 2010, and the year to date was 7.3% higher than the total for the same period in 2010 at 630 million tonnes. Excluding China, however, the rise in May was only 1.2% and the 5 months total was up by just 6.2%. China accounted for 46% of world steel production in the first five months of 2011.

In the European Union crude steel production for the 27 fell by 1.3% in May to 16.3 million tonnes, compared to May 2010. The five months total to date, however, increased by 4% to 77.6 million tonnes. German steel production only rose by 1.1% in May, bringing the year to date total to 19.3 million tonnes, 2.3% up on the previous year. French production, however, decreased by 7.3% in May, while the year to date total fell by 0.3% to 6.7 million tonnes. Italian steel production rose by 6.9% in May, and by 8.1% in the five months to 12.1 million tonnes. On the other hand Spanish production was down by 5.5% in May, bringing the year to date total down by 1.8% to 7.4 million tonnes. In the United Kingdom steel production also showed a drop of 5.3% in May, and was 5.2% down in the five months to 4.1 million tonnes. Austria, Belgium and Sweden all increased steel production in the year to date by over 12%, while the Netherlands five months total was up by 15.6%.

According to ACEA, the European car manufacturers association, car registrations were up by 7.6% in May, although the five months total fell by 0.4%. German registrations jumped by 22% in May, bringing the year to date to over 1.3 million cars, 13% higher than in 2010. French registrations rose by 6.1% in May, while the year to date total was 4.4% up at one million cars. Registrations in Italy were up 3.6% in May, but down by 15% in the first five months to 843 thousand cars. In the UK, on the other hand, registrations decreased by 1.7% in May, bringing the year to date total to 847 thousand cars, a fall of 7.3%. The Spanish five months total fell by 25.7% to 359 thousand cars.

Russian crude steel production was a little under 5.8 million tonnes in May, 2.9% lower than in May 2010, while the year to date total was 5% up at 28.8 million tonnes. Ukrainian monthly production increased by 8.9%, however, bringing the five months total to 15 million tonnes, an increase of 6%. In Kazakhstan the year to date total was up by 22% to 2 million tonnes. Russian steel exports have risen from the December total of less than 1.4 million tonnes, the lowest monthly total in over a decade, to nearly 2.4 million tonnes in March 2011. This was just above the average monthly total for 2010. Semis accounted for 57% of the total exported in March. Ukrainian steel exports also reached nearly 2.4 million tonnes in March 2011 which was 14% above the average monthly total in 2010. Semis accounted for almost 45% of total exports in

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March. Although exports of hot rolled plate lengths only accounted for 13% of total exports in March, the total exported in the first quarter of 2011, some 907 thousand tonnes, was nearly 25% up on the same quarter in 2010.

On the North American continent US crude steel production was flat in May, but rose by 5.2% to 35.6 million tonnes in the year to date. Canadian steel production was 4.3% up in the month, but was down slightly in the five months to 5.3 million tonnes. In comparison Mexican steel production increased by 5.6% in May, and by 6.7% in the year to date to 7.6 million tonnes. Crude steel production in the South American countries was mostly up, with Brazilian production rising by 14.7% in May, and by 9% in the year to date to 14.7 million tonnes. Argentinian steel production rose by 13% in the month, bringing the five months total to 2.2 million tonnes, an increase of 10.6%. In Venezuela, however, the monthly total more than tripled, while the year to date total increased by 142% to 1.5 million tonnes.

In Africa, South African steel production fell by 18% in May and by 22% in the year to date to 2.7 million tonnes. Egyptian production decreased by 4.5% in May, but was up by 1% in the five months to nearly 2.7 million tonnes, only just below that of South Africa. In the Middle East, Iran showed a 4.5% increase in steel production in May with the year to date total up 13% to 5.6 million tonnes. Saudi Arabian steel production was just 1.5% up in the year to date to 2.3 million tonnes.

Turning to the Far East, Chinese steel production increased by 7.8% in May to 60 million tonnes, bringing the year to date total up 8.5% to 290 million tonnes, some 46% of world production. Japan's May production, however, fell by 7%, making the year to date total 45.2 million tonnes, an increase of only 0.1%. As the second largest steel producer in the world Japan accounted for only 7% of global production. Crude steel production in South Korea was 12.8% up in the month, making 28.2 million tonnes in the five months, an increase of 18.4% on the previous year. India's production, however, only rose by 0.3% in May, although the year to date total was up by 4% to 29.6 million tonnes making it the fourth largest steel producing country in the world ahead of Russia. Taiwan's monthly production decreased by 5.6%, bringing the year to date total to 9.1 million tonnes, a rise of 14%. While Japanese steel exports topped 4 million tonnes in March 2011 for only the second time in a decade, April exports dropped by 16.5% to under 3.4 million tonnes. Exports of hot rolled wide strip in April 2011 fell by 20% compared to March, with CR exports down by 16% and semis down by 15%. In fact most products showed a drop in exports in April obviously due in part to the earthquake and subsequent events. Other Asian countries still account for just over 80% of Japanese exports at 2.8 million tonnes, with South Korea being the largest market followed by China and Thailand. North America accounted for 7.6% of steel exports in April with 3.8% going to South America and 3% to the Middle East. The European Union accounted for less than 1% of Japanese exports in April. Provisional estimates of Japanese exports in May show a further small decline compared to April. Japanese imports of steel rose to 446 thousand tonnes in April, 7.5% up on the March total. Almost 40% of this total was hot rolled wide strip, up by 20% on the March import figure.

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