

## **WORLD STEEL REVIEW**

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



Production of crude steel for the 67 countries reporting to the World Steel Association in May was estimated to be 155 million tonnes. This was 6.7% above the tonnage in May 2017, and the year to date was 4.3% above same period of 2017 at 729 million tonnes. Excluding China, the May total was 4.5% higher than in May 2017 and the year to date total was 3.2% up on 2017.

In the European Union crude steel production for the 28 countries rose by 1.8% in May to 15 million tonnes, compared to May 2017. This brought the year to date total up 1.8% at 73.1 mt. There were mixed fortunes for the major producers. Spain, Italy and Germany all saw rises, increasing by nearly 9%, 3.7% and 2.6% respectively but this was offset by weakness in France, down 6.5% and the UK, falling by 5.7%. After last year's strong growth, Poland saw a second consecutive month of year on year decline, falling by 3%.

Turkish steel production increased by 0.5% to 3.3 million tonnes in May and was up by 4.3% to 15.8 million tonnes in the year to date. Serbia's production in the year to date jumped by 37.6% to 817 thousand tonnes. Bosnian steel production was down by 7.4% in the year to date at 278 thousand tonnes, while in Norway steel production fell by 8.4% to 245 thousand tonnes.

It is notable that steel production in Serbia is growing considerably, albeit from a low base. This increase has fed in to a growth in exports with shipments from the country increasing by 67% in Q1 this year. The growth has been predominantly driven by an increase in exports of HRC to Bulgaria, Italy and Slovenia.

In May 2018, 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 an increase in production. Russian crude steel production was 6% up in May at 6.2 million tonnes, while the year to date total was 2% higher at 30 million tonnes. Ukrainian monthly production was up by 2.9%, bringing the year to date total to 8.7 million tonnes, an increase of just 0.4%. In Kazakhstan the year to date total was up by 9.1% to 2 million tonnes, while in Belarus it decreased by 24.2% to 709 thousand tonnes.

On the North American continent US crude steel production was robust, increasing by 3% in May and by 2.8% to 34.8 million tonnes in the year to date. Canadian steel production was up 14.3% in the month, and 2% higher in the year to date at 5.6 million tonnes. Mexican steel production was also strong, increasing by 3.4% in May, and by 4.8% in the year to date at 8.7 million tonnes.

There were some real mixed fortunes in the South American region. Brazilian production showed some weakness, falling by 8.6% in May, but remained 1.4% higher in the year to date at 14.3 million tonnes. Argentinian steel production was very, increasing by 11.2% in the month, bringing the year to date total to 2.1 million tonnes, an increase of 22%. In Colombia the monthly total decreased by 9.4%, while the annual total was down 12.5% at 463 thousand tonnes. Peruvian steel production was 1% up in the year to date to 508 thousand tonnes. Chilean year to date steel production was down 4.8% year on year at 463 thousand tonnes. Meanwhile, steel production in Venezuela started to recover, rising by 23.6% in the month and 5.5% in the year to date to 238 thousand tonnes.

In Africa, South African steel production was 2.6% higher in May and was 1.1% up in the year to date to 2.6 million tonnes. Egyptian production increased by 8.8% in May and by 14.4% in the year to date to 3.2 million tonnes. In the Middle East, Iran showed continued strength with a 12.4% increase in steel production in May with the year to date total up by 24.5% to 10.1 million tonnes. Saudi Arabian steel production, however, fell by 1.9% in the year to date to 2.1 million tonnes. Production in the United Arab Emirates fell by 10.6% in the year to 1.3 million tonnes.

Turning to the Far East, Chinese steel production increased by 8.9% in May to 81.1 million tonnes, bringing the year to date total up by 5.4% to 370 million tonnes. Japan's May production was up by 1.8%, while the year to date total was 0.7% higher at 44.2 million tonnes. Crude steel production in India was up 9.8% in the month, making 44.4 million tonnes in the year to date, an increase of 5.3% on the previous year. South Korea's production increased by 3% in May, while the year to date total was up by 3.7% to

30 million tonnes. Taiwan's monthly production fell by 14.4%, bringing the year to date total to 8.5 million tonnes, a decrease of 12.5%. Vietnam's year to date total increased by 19% to 4.7 million tonnes.

Despite the 12.5% fall in crude steel production in Taiwan, exports actually increased by 7% in the first four months of the year, with the increase spread across most products. Conversely, imports declined by 11%, driven by a fall in plate and HDG imports, which suggests the apparent demand in the country is not too healthy.

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