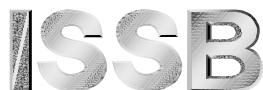


## **WORLD STEEL REVIEW**

### **Iron & Steel Statistics Bureau, August 2010**



Production of crude steel for the countries reporting to the World Steel Association in June 2010 was estimated to be 118.8 million tonnes, an increase of 18% over June 2009. This brought the total for the first six months of 2010 to 706 million tonnes, 28% higher than the January to June period in 2009. However, excluding China, which accounted for nearly 46% of the total in 2010, the year to date total rose by 34% while the June total was up 27%. All regions showed a rise in both June and the year to date totals.

Crude steel production in the 27 member countries of the European Union increased by 35.7% in June compared to June 2009, with the year to date total up by 44.6% to 90 million tonnes compared with the same period last year. Monthly production in Germany rose by 53%, while the six months total was up 64% to 22.7 million tonnes. Italian production increased by 33% in June, and by 37% in the year to date to 13.5 million tonnes. Spanish crude steel production only increased by 16.7% in June, bringing the year to date total to 8.9 million tonnes, a rise of 31%. French production was up 31% in the month, and by 40% in the six months to 8.2 million tonnes. The UK total actually fell by 2.3% in June, although the year to date total rose by 17% to 5.1 million tonnes. Bulgaria and Greece also showed a small drop in the monthly total, but only Greece showed a fall in the year to date, down by 2.9%.

The German steel market is improving with the May crude steel production at its highest since June 2008, some 4.1 million tonnes, although the June 2010 total was just below 4 million tonnes. German imports of steel topped 2 million tonnes for the first time since October 2008. Exports of steel have been over 2.3 million tonnes for the last 3 months.

Elsewhere in Europe, Turkey's steel production increased by 14% in the month with the half year total up by 13% to 13.5 million tonnes. Serbia's six month total more than doubled to 654 thousand tonnes, while the Swiss total was 45% higher at 661 thousand tonnes. Norway's half year total actually fell by 12% to 259 thousand tonnes.

European car registrations, according to ACEA, fell by 6.2% in June, while the total for the first six months of 2010 was 0.6% up at 7.5 million cars. German registrations were down by 32% in the month and by almost 29% in the half year to just under 1.5 million cars. The Italian market decreased by 19% in June, but rose by 2.9% in the six months to 1.16 million cars. French registrations fell by 1.3% in June, but were up by 5.4% in the six months to 1.2 million cars. In the UK, however, the June total increased by 11%, and by 20% in the year to date to 1.1 million cars. These four countries accounted for 66% of total European registrations.

Turning to the CIS, Russian steel production was up 6% in June, while the half year total was up by 22% to 32.7 million tonnes. Ukraine's crude steel production rose 7.2% in June, and by 20% in the six months to 16.4 million tonnes. In Kazakhstan, steel production increased by 10% in the half year to 2.1 million tonnes. The Belarus six months total was flat at 1.3 million tonnes.

The North American continent showed a 55% jump in crude steel production with the USA total up by 65% in June, bringing the six months total up 69% to 41 million tonnes. This makes the USA the third largest steel producing country in the world after China and Japan. Canadian production jumped by 61% in June, bringing the year to date total up 56.7% to 6.5 million tonnes. Crude steel production in Mexico rose by 17.6% in June, with the half year total up 29% to 8.5 million tonnes.

Crude steel production in South America rose by 34% in June with Brazilian production 47% up in June, and 55% higher in the six months to date to 16.4 million tonnes. Elsewhere on the continent, production in Argentina was up 35% in June and by 47.6% in the half year to 2.4 million tonnes. Venezuelan steel production, however, fell by 31% in the month, and by 50% in the six months to 1.1 million tonnes.

Brazilian steel exports have started to rise again and reached 782 thousand tonnes in June. 72% of this total was semis, the vast majority of which was carbon steel slabs. South Korea and the USA were the two largest markets, followed by Argentina, Thailand and Taiwan. In fact 95% of Brazilian exports in June went to the Americas or Asia.

In Africa, South African production increased by 15% in June, and by nearly 24% in the year to date to 4.2 million tonnes. Egyptian production rose by 14% in June and by just under 14% in the six months to 3 million tonnes. In the Middle East, Iranian production actually rose by 7.2% in June, and by 2.7% in the first six months of the year to 5.9 million tonnes. Saudi Arabian steel production actually fell by 7.4% in the month, although the year to date total was 19.5% up at 2.7 million tonnes. The Qatar six months total was 78% higher at one million tonnes.

The five main steel producing countries of the Far East reported varying production with all of them showing an increase. China's June steel production only rose by 9% to nearly 54 million tonnes, 45% of the world's total; this increased the six months total by 21% to 323 million tonnes. Crude steel production in Japan jumped by 36% in June with the year to date total up almost 50% to 54.6 million tonnes. India dropped to fifth place in the league of steel producing countries with June production only up by 1.9%, bringing the year to date total to 32.5 million tonnes, an increase of 7%. South Korean steel production rose by 22% in June, and by 29% in the year to date to 28.3 million tonnes. Taiwanese production increased by 23% in June and by 31% in the six months to 9.1 million tonnes. Australian crude steel production jumped by 85% in the first six months to 3.5 million tonnes.

Chinese exports of steel showed a marked increase in June to 5.6 million tonnes, more than 3 times the total in June 2009 and 8% above the June 2008 total. Hot rolled wide coil was by far the largest product exported at 1.4 million tonnes with coated sheet and strip totalling 980 thousand tonnes. CR sheet and plate also showed a marked increase to 469 thousand tonnes. 54% of total exports went to other Asian countries, although this was a lower percentage than in April or May. South America accounted for 14% of Chinese exports in June, significantly up on earlier months, with Brazil, Chile and Peru accounting for 79% of this total. The European Union only accounted for 10% of total exports, although at 547 thousand tonnes this was a significant increase on the other months in 2010; Italy, Portugal, Spain and Belgium took 80% of this total.

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