

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, August 2012



Production of crude steel for the countries reporting to the World Steel Association in June 2012 was estimated to be 128 million tonnes, only fractionally below the June 2011 total. This brought the total for the first six months of 2012 to 767 million tonnes, 0.9% higher than the January to June period in 2011. However, excluding China, which accounted for over 46% of the total in 2012, the year to date total was flat, while the June total was down by 0.7%. Regional totals varied in June and the year to date.

Crude steel production in the 27 member countries of the European Union decreased by 5.4% in June compared to June 2011, with the year to date total down by 4.6% to 89 million tonnes compared with the same period last year. Monthly production in Germany fell by 4%, while the six months total was down by 5.7% to 21.9 million tonnes. Italian production, however, decreased by 7.9% in June, but was 0.3% up in the year to date to 14.8 million tonnes. French crude steel production fell by 2.1% in June, bringing the year to date total to 8.4 million tonnes, a rise of 3.4%. Spanish production was down by 8.8% in the month, and by 13.9% in the six months to 7.5 million tonnes. The UK total rose by 15.6% in June, although the year to date total fell by 4.5% to 4.7 million tonnes. Polish steel production decreased by 9.8% in June, but was 4.8% higher in the six months at nearly 4.6 million tonnes. The Belgian year to date total fell by 14.7% to 3.9 million tonnes.

Elsewhere in Europe, Turkey's steel production increased by 4% in the month with the half year total up by 9.3% to 17.9 million tonnes, ahead of both the Ukraine and Brazil. The Norwegian year to date total rose by nearly 24% to 352 thousand tonnes, while Serbia's six month total fell by 60% to 325 thousand tonnes.

Turkish steel production has been averaging about 3 million tonnes per month so far in 2012, slightly up on the 2.8mt per month averaged in 2011. Turkish exports of steel have averaged about 1.5 million tonnes in 2012 with the May total at 1.65 million tonnes. Deformed reinforcing bars accounted for 45% of the May exports total at 743 thousand tonnes with exports of semis reaching a peak in May of 300 thousand tonnes, 95% of which was billets. The largest market for the deformed rebars was the Middle East, which took 55% of the total in May, with Africa and the Americas each taking 19% of rebar exports. In the case of semis 70% went to the Middle East, primarily Saudi Arabia, with a further 24% going to Africa.

Turkish imports of steel in May, on the other hand, rose by 38% compared to May 2011, exceeding one million tonnes, the highest monthly total since April 2010. Over one third of total imports in May were hot rolled wide strip, mainly from the Ukraine, Russia, Japan and European countries. Imports of billets accounted for a further 15% of the total imported in May, mainly from Russia and the Ukraine.

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European car registrations, according to ACEA, fell by 1.7% in June, while the total for the first six months of 2012 was down by 6.3% at 6.9 million cars. German registrations actually rose by 2.9% in June, and were 0.7% up in the half year to 1.6 million cars. The French market decreased by 0.6% in June, and was 14.4% down in the six months to 1.05 million cars. UK registrations, however, rose by 3.5% in June, and by 2.7% in the six months to 1.06 million cars. In Italy the June total fell by 24%, and by 20% in the year to date to 814 thousand cars. These four countries accounted for 66% of total European registrations. The next largest market was Spain where the six months total was down by 8.2% to 406 thousand cars.

Turning to the CIS, Russian steel production was just 0.3% up in June, while the half year total was up by 2.7% to 35.7 million tonnes. Ukraine's crude steel production rose by 3.4% in June, but fell by 3% in the six months to 17.2 million tonnes. In Kazakhstan, steel production decreased by 23% in the half year to 1.9 million tonnes. The Belarus six months total, however, was up 1.3% to 1.3 million tonnes.

The North American continent showed a 2.7% rise in crude steel production with the USA total only up by 0.8% in June, bringing the six months total up 8.4% to 46.3 million tonnes. Canadian production rose by 6.2% in June, bringing the year to date total up 6.5% to 7.1 million tonnes. Crude steel production in Mexico increased by 7.9% in June, with the half year total up 1.8% to 9.2 million tonnes.

Crude steel production in South America fell by 8.8% in June with Brazilian production 8.5% down in June, and 2.5% lower in the six months to date to 17.4 million tonnes. Elsewhere on the continent, production in Argentina was down by 5.3% in June but 0.5% up in the half year to 2.7 million tonnes. Venezuelan steel production, however, dropped by nearly 39% in the month, bringing the year to date total to 1.1 million tonnes, 32% down on the 2011 total.

In Africa, South African production fell by 19.2% in both June and the year to date to 3.4 million tonnes. Egyptian production was down 0.9% in June but was 2.5% up in the six months to 3.3 million tonnes. Algerian steel production in the half year rose by 42% to 351 thousand tonnes. In the Middle East, Iranian production increased by 4.9% in June, and by 9.5% in the first six months of the year to 7.4 million tonnes. Saudi Arabian steel production, however, decreased by 0.4% in the month, bringing the year to date total down 0.6% to 2.7 million tonnes.

The five main steel producing countries of the Far East all reported an increase in production except Taiwan. China's June steel production was only 0.6% higher at 60 million tonnes, 47% of the world's total; this increased the six months total by 1.8% to 357 million tonnes. Crude steel production in Japan rose by 3.5% in June with the year to date total remaining flat at 54.1 million tonnes. Indian steel production in June increased by 2.1%, bringing the year to date total to 38 million tonnes, an increase of 3.1%. South Korean steel production rose by 4.3% in June, and by 3.1% in the year to date to 35 million tonnes. Taiwanese production, however, decreased by 4.6% in June, and by 8.6% in the six months to 10.6 million tonnes. Australian crude steel production dropped by over 22% in June bringing the first six months total down by 33% to 2.4 million tonnes.

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Chinese exports of steel topped 5 million tonnes in May 2012, the first time since June 2010. Coated sheet and strip accounted for 22% of the total with tubes and fittings accounting for a further 18%. Hot rolled wide strip accounted for 18% of total exports in May.

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