

## WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, August 2016



Production of crude steel for the countries reporting to the World Steel Association in June 2016 was estimated to be nearly 136 million tonnes, almost the same as the June 2015 total. This brought the total for the first six months of 2016 to 795 million tonnes, 1.9% below the January to June period in 2015. However, excluding China, which accounted for 50% of the total in 2016, the year to date total fell by 2.6%, while the June total was down by 1.6%. The Chinese share of global crude steel production in June 2016 was 51.2%.

Crude steel production in the 28 member countries of the European Union decreased by 5.3% in June compared to June 2015, with the year to date total down by 6.1% to 82.7 million tonnes compared with the same period last year. Monthly production in Germany was only down by 2.1%, while the six months total was down just 1.2% at 21.9 million tonnes. Italian production, however, increased by 5.9% in June, and by 3.5% in the year to date to 12.1 million tonnes. French crude steel production fell by 5.1% in June, bringing the year to date total to 7.2 million tonnes, a drop of 11.5%. Spanish production was down by 13.7% in the month, and by 7.3% in the six months to 7.3 million tonnes. The Polish total fell by 23% in June, while the year to date total was 11.3% down at 4.4 million tonnes. UK steel production dropped by 36% in both June and the six months to 3.9 million tonnes.

Elsewhere in Europe, Turkey's steel production rose by 2% in the month with the half year total up by 3.2% to 16.5 million tonnes. Turkey is the eighth largest steel producer in the world. The Serbian year to date total declined by just 3.4% to 472 thousand tonnes, while Bosnia's six months total fell by 5.8% to 420,000 tonnes.

European car registrations, according to ACEA, rose by 6.5% in June, while the total for the first six months of 2016 increased by 9.1% to 8.1 million cars. German registrations rose by 8.3% in June and were up by 7.1% in the half year to 1.7 million cars. The UK market, however, declined by 0.8% in June, but was 3.2% up in the six months to 1.4 million cars. French registrations rose by 0.8% in June and by 8.3% in the six months to 1.1 million cars. In Italy the June total rose by 11.9%, and by 19.2% in the year to date to over 1m cars. The next largest market was Spain where the six months total increased by 12.2% to 623 thousand cars. These five countries accounted for 73% of total European registrations. Polish monthly registrations jumped by 26.9% bringing the year to date total to nearly 211 thousand cars.

Turning to the CIS, Russian steel production rose by 2.5% in June, while the half year total was down by 1.3% at 35.2 million tonnes. Ukraine's crude steel production, however, fell by 8.6% in June, but was 10.3% higher in the six months at 12.4 million tonnes. In Kazakhstan, steel production increased by 3.3% in the half year to 2 million tonnes. The Belarus six months total, however, fell by 22.7% to less than 1.1 million tonnes.

The North American continent's crude steel production was down in June with the USA total down just 0.1%, bringing the six months total to 40 million tonnes, an increase of just 0.2%. Mexican production was 0.9% down in June, bringing the year to date total to 8.8 million tonnes, a fall of 5% on the 2015 total. Crude steel production in Canada fell by 2.8% in June, while the half year total rose by 4% to 6.5 million tonnes.

Crude steel production in South America fell by 11% in June with Brazilian production down by 8.5%, bringing the six months to date to 14.9 million tonnes, a drop of 13%. Elsewhere on the continent, production in Argentina fell by 16.2% in June and by 15.4% in the half year to 2.1 million tonnes. The six months total in Chile, however, was 11.2% higher at 602 thousand tonnes, while in Colombia it was up by 11.4% at 621 thousand tonnes. In Peru the half year total increased by 3.4% to 549 thousand tonnes.

In Africa and the Middle East, Egyptian production dropped by 18.8% in June while the year to date showed a 27.6% fall to 2.2 million tonnes. South African production, on the other hand, rose by 6.9% in June, but fell by 8.7% in the six months to 3.2 million tonnes. In Iran steel production rose by 11.3% in June, and was 5.2% higher in the half year at 8.8 million tonnes, putting it ahead of Mexico, Spain and France. Saudi Arabian production, however, dropped by 27.5% in June and by 24% in the first six months of the year to 2.4 million tonnes. In the UAE steel production remained flat in the year to date at 1.5 million tonnes, while in Qatar steel production fell by 9.8% in the half year to 1.2 million tonnes.

The five main steel producing countries of the Far East showed mixed fortunes in steel production. China's June steel production was up by 1.7% at 69.5 million tonnes, 51.2% of the world's total; this brought the six months total to just under 400 million tonnes, a decline of 1.1%. Crude steel production in Japan rose by 2.7% in June with the year to date total also down by 1.1% at 52 million tonnes. Indian steel production in June increased by 3.9%, bringing the year to date total to 46.4 million tonnes, an increase of 2.7%, maintaining its position as the third largest steel producer in the world. South Korean steel production, on the other hand, decreased by 6.7% in June and by 3.4% in the year to date to 33.4 million tonnes. Taiwanese production decreased by 2.3% in June, and by 7.4% in the six months to 10.6 million tonnes.

Chinese exports of steel in June topped 10.8 million tonnes, one of the highest monthly totals ever. It was 16.1% above May 2016 and 23% above June 2015. Hot rolled bars showed an almost 50% increase over June 2015 at 3.6 mt, one third of total exports in June. Almost all of the tonnage was alloy engineering steel. Exports of coated sheet and strip excluding tinmill products were 1.6 million tonnes in June, an increase of 17% and hot rolled wide strip exports rose to 1.3 million tonnes, 28% above the June 2015 total.

Almost 6.8 million tonnes in June went to other Asian countries with South Korea, Vietnam and Thailand the top three markets. The Middle East took over 1.5 million tonnes, significantly up on previous months, with the UAE and Saudi Arabia the largest two markets. 811 thousand tonnes went to African countries and 775 thousand tonnes went to the Americas. The European Union only took 447 thousand tonnes with Italy the largest market.

Vietnam's imports of steel have increased significantly over the last few years reaching over 16 million tonnes in 2015, more than double the tonnage imported in 2012. Imports in 2016 are likely to show a further increase. Four countries accounted for 97% of Vietnam's imports in 2015: China, Japan, South Korea and Taiwan with China accounting for 62% of the total.

40% of Vietnam's steel imports in 2015 were hot rolled wide strip at 6.5 million tonnes. Hot rolled plate imports were 1.9 million tonnes, 11.8% of the total, and coated sheet and strip imports totalled 1.75 million tonnes, 10.7%. Imports of hot rolled bars and rods totalled 3.2 million tonnes in 2015, almost 20% of total imports.

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