

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, August 2018



Production of crude steel for the 67 countries reporting to the World Steel Association in June was estimated to be 151 million tonnes. This was 5.8% above the tonnage in June 2017, and the year to date was 4.6% above same period of 2017 at 881 million tonnes. Excluding China, the June total was 4% higher than in June 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 1.3% in June, compared to June 2017, to 14.4 million tonnes. This brought the year to date total up 1.6% at 87.3 million tonnes. There were mixed fortunes for the major producers. The UK, Spain, Italy and Germany all saw rises, increasing by 11.6%, 3.4%, 1.5% and 4.6% respectively but this was offset by weakness in France, down 4.4%. After last year's strong growth, Poland saw a third consecutive month of year on year decline, falling by 1.6% to give a year to date figure just 1.9% ahead.

Turkish steel production increased by 0.7% to 3 million tonnes in June and was up by 3.7% to 18.9 million tonnes in the year to date. Serbia's production in the year to date jumped by 43.3% to 997 thousand tonnes. Bosnian steel production was down by 33.6% in the year to date at 239 thousand tonnes, while in Norway steel production fell by 6.8% to 298 thousand tonnes.

In June 2018, passenger car registrations posted a robust increase (+5.2%) across the EU, totalling almost 1.6 million new cars. In volume terms, this result marked the highest June total on record to date. Results were diverse among the five major EU markets. The United Kingdom (-3.5%) and Italy (-7.3%) both posted declines, while demand for cars increased in France (+9.2%), Spain (+8.0%) and Germany (+4.2%).

Overall, the CIS region saw an increase in production. Russian crude steel production was 8.9% up in June at 6.1 million tonnes, while the year to date total was 2.8% higher at 36.1 million tonnes. Ukrainian monthly production was up by 7.5%, bringing the year to date total to 10.4 million tonnes, an increase of just 1.5%. In Kazakhstan the year to date total was up by 2.1% to 2.3 million tonnes, while in Belarus it decreased by 0.6% to 1.1 million tonnes.

On the North American continent US crude steel production was subdued, increasing by just 0.8% in June and by 2.9% to 41.8 million tonnes in the year to date. Canadian steel production was down 12.1% in the month, and 2.3% lower in the year to date at 6.5 million tonnes. Mexican steel production was also weak, decreasing by 0.8% in Jun, but increasing by 3.3% in the year to date at 10.4 million tonnes.

Canadian crude steel production was more than 2% lower in the year to date. Despite this exports have increased by 13% and imports were up 18%. The driver for the growth of exports was strong increases in shipments of HRC, CRC and HDG to the US. The increase in imports was driven by a growth of imports of semis from Romania, Brazil and Mexico along with an increase of rebar imports from Turkey, Belarus and the US.

There were some real mixed fortunes in the South American region. Brazilian production showed some weakness, falling by 2.2% in June, but remained 0.9% higher in the year to date at 16.9 million tonnes. Argentinian steel production was strong, increasing by 11.1% in the month, bringing the year to date total to 2.5 million tonnes, an increase of 20%. In Colombia the monthly total decreased by 18.3%, while the annual total was down 13.5% at 553 thousand tonnes. Peruvian steel production was 1.4% up in the year to date to 608 thousand tonnes. Chilean year to date steel production was down 6.2% year on year at 543 thousand tonnes. Meanwhile, steel production in Venezuela continued to recover, rising by 97.5% in the month and 16.4% in the year to date to 298 thousand tonnes.

In Africa, South African steel production was 19.5% higher in June and was 3.9% up in the year to date to 3.2 million tonnes. Egyptian production increased by 6.9% in June and by 13.1% in the year to date to 3.8 million tonnes. In the Middle East, Iran showed continued strength with a 16.5% increase in steel production in June with the year to date total up by 25.8% to 12.5 million tonnes. Saudi Arabian steel production increased by 1% in the year to date to 2.5 million tonnes. Production in the United Arab Emirates fell by 8.7% in the year to date to 1.6 million tonnes.

Turning to the Far East, Chinese steel production increased by 7.5% in June to 80.2 million tonnes, bringing the year to date total up by 6% to 451 million tonnes. Japan's June production was up by 4.2%, while the year to date total was 1.3% higher at 53 million tonnes. Crude steel production in India was up 7.4% in the month, making 52.8 million tonnes in the year to date, an increase of 5.1% on the previous year. South Korea's production increased by 3.2% in June, while the year to date total was up by 3.7% to 36.1 million tonnes. Taiwan's monthly production fell by 8.6%, bringing the year to date total to 10.1 million tonnes, a decrease of 11.9%. Vietnam's year to date total increased by 28% to 6.2 million tonnes.

Despite the 5% growth in crude steel production in India, exports have collapsed by 32% and imports showed a small increase which suggests that the demand within the country has been healthy. There was no major pattern in the growth in imports but the decline in exports has been driven by a reduction in shipments of flat products with HRC exports to Italy, UAE, Vietnam and Malaysia showing a particularly large decline.

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