

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, September 2016



Production of crude steel in July for the 66 countries reporting to the World Steel Association was estimated to be 134 million tonnes, an increase of 1.4% over July 2015. The total for the first seven months of 2016 showed a decrease of 1.2% to 930 million tonnes. If China is excluded from the total, the total for July only rose by 0.2% with the year to date total down by 2.0%.

In the European Union 28, crude steel production decreased by 4.6% in July to 13 million tonnes compared to July 2015, and the seven months total decreased by 5.8% to under 96 million tonnes. German crude steel production fell by 6.1% in July, bringing the year to date total to 25.3 million tonnes, a fall of 2%. Italy's steel production actually rose by 6.2% in July, while the seven months total was up by 3.9% to 14.2 million tonnes. France is the third largest steel producer in the EU and production fell by 4.7% in July, and by 10.6% in the year to date to 8.4 million tonnes. Spanish production was 13% down in July, while the seven months total decreased by 8% to 8.2 million tonnes. UK steel production, on the other hand, fell by 27.3% in July, while the year to date total was 36.4% lower at 4.5 million tonnes.

In the rest of Europe, Turkey's steel production rose by 6.5% in July, bringing the year to date total up by 3.6% to 19.2 million tonnes. Bosnia's seven months total fell by 5.4% to 495 thousand tonnes, while Serbia's total increased by 2.4% to 588 thousand tonnes. The Norwegian total increased by 6.6% to 336 thousand tonnes.

Turkey's steel exports in the first six months of 2016 were 7.7 million tonnes, just 2% up on the same period in 2015. One third of exports in 2016 went to Middle Eastern countries, 21% went to Africa and 19.6% went to the European Union. However, the USA was by far the largest single importing country, taking over 1.1 million tonnes, or 15.1%. Turkey's largest export by far was deformed reinforcing bars which accounted for 47% of total exports in 2016. Welded tube exports were 912 thousand tonnes, 11.9% of the total.

Turkish steel imports in 2016 were 9.5 million tonnes, over 8% higher than in 2015. 37% of Turkey's imports came from the CIS with Russia alone accounting for 22.4% of total imports in 2016. The European Union supplied 29% of Turkey's imports with Asian countries supplying 23%. Imports from China were over 1.3 million tonnes making it the second largest supplier after Russia. 38% of Turkey's imports in 2016 were semis (billets and slabs) and a further 30% was hot rolled wide strip.

In the CIS countries Russian production rose by 0.9% in July, bringing the year to date total to 41.4 million tonnes, 0.8% down on the previous year. Ukrainian crude steel production, however, increased by 10.5% in July, while the year to date total was up 10.3% to 14.5 million tonnes. Kazakhstan's seven months total showed a rise of 4.1% in production to 2.3 million tonnes, while in Belarus the year to date total dropped by 20.5% to 1.3 million tonnes.

On the North American continent US crude steel production declined by 2.2% in July to 6.9 million tonnes, while the seven months total decreased by just 0.2% to 47 million tonnes. Canadian monthly production increased by 3.5%, with the year to date total increasing by 4.6% to 7.7 million tonnes. Crude steel production in Mexico, however, rose by 8.8% in July, making the year to date total 1% lower at 10.7 million tonnes compared to the first seven months of 2015.

In South America Brazilian steel production was 6% down in July, making the year to date total 12% lower at 17.6 million tonnes. Production in Argentina, on the other hand, fell by 17.4% in July, and by 15.7% in the seven months to 2.4 million tonnes. Colombia's seven months total was down 9.7% to 734 thousand tonnes with Chile's total down 9.3% at 695 thousand tonnes. In Peru the seven months total rose by 4.6% to 651 thousand tonnes. Venezuelan steel production dropped by 83.5% in the year to date to 143 thousand tonnes.

Turning to Africa and the Middle East, Iranian production increased by 6.2% in July, bringing the year to date total up 4.7% to 10.1 million tonnes. South African production, however, fell by 11% in July, bringing the seven months total to 3.7 million tonnes, a decrease of 9.1%. Egypt's July total decreased by 20%, while the seven months total was down by 26.7% to 2.6 million tonnes. Saudi Arabian monthly production fell by 15.2% taking the year to date total to nearly 2.8 million tonnes, a drop of 23%.

Crude steel production in China increased by 2.6% in July to 66.8 million tonnes, bringing the year to date total down by 0.5% to 466 million tonnes, 50% of world steel production. Japanese steel production rose by 0.5% in the month, but was down by 0.8% in the first seven months to 60.9 million tonnes. In India production increased by 8.1% in July, and by 4.8% in the year to date to 55 million tonnes. South Korean steel production rose by 1.5% in July, with the seven months total down 2.7% to 39.4 million tonnes. Taiwanese crude steel production increased by 4% in July, but was down by 4.5% in the year to date to 12.6 million tonnes.

India's exports of steel in May rose to nearly 872 thousand tonnes, 30% above May 2015 and the highest monthly level since January 2015. Exports of semis accounted for 25% of the May total, virtually all of which were billets with just over 70% being round billets. Exports of coated sheet and strip were 151 thousand tonnes in May and hot rolled wide strip exports were 133 thousand tonnes.

51% of India's exports in May went to other Asian countries with Nepal and Bangladesh being the two largest markets. The third largest market was the United Arab Emirates and Middle Eastern countries took 15% of May exports. The 28 countries of the European Union took 16%.

India's imports of steel, on the other hand, dropped to 660 thousand tonnes in May, some 40% below May 2015 and the lowest monthly total since April 2014.

China's imports of iron ore have remained high in 2016 reaching 88 million tonnes in July 2016 which was the highest monthly total ever apart from 96 million tonnes in December 2015. Imports in the first seven months of 2016 were 582 million tonnes, 8% higher than the same period in 2015. Australia supplied 62% of China's iron ore in 2016 and Brazil supplied 21%. The remainder came from a further 38 countries around the world.

P G Hunt,
ISSB Ltd