

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, October 2009



Crude steel production in August was estimated to be 106 million tonnes, according to the 66 countries reporting to the World Steel Association, a decrease of 5.5% over August 2008. The total for the first eight months of 2009 was 759 million tonnes, 18.1% down on the same period in 2008. However, excluding China, the August total fell by 22.4%, and the year to date total was down by 32.4%. Most regions showed a fall in steel production in both the month and year to date except the Middle East and Asia.

In the European Union crude steel production for the 27 member states fell by 32% in August, compared to August 2008, to 10.8 million tonnes, while the eight months total decreased by 41% to 84.2 million tonnes. German crude steel production decreased by 26% in August, while the January to August total fell by 40% to 19.5 million tonnes compared to the same period the previous year. French production was down by 37% in August, while the year to date total decreased by 40% to 7.8 million tonnes. Production in Italy dropped a massive 54% in August, bringing the year to date total down 43% to 12.2 million tonnes. Spanish production decreased in August by 35%, while the year to date total fell by 37% to 8.7 million tonnes. The United Kingdom showed a drop in steel production in August of 30%, while the eight months total was down 39% to 6 million tonnes. Polish steel production was only down by 24% in August, but was down almost 38% in the year to date to 4.6 million tonnes. In the Czech Republic steel production decreased by 14% in August and by 39% in the eight months to 2.9 million tonnes. Romania showed the largest drop in production in the year to date, down by 60% to 1.5 million tonnes.

Steel exports by the EU27 jumped by one million tonnes in the second quarter of 2009 compared to the first quarter from 7 to 8 million tonnes. However, the second quarter was still 17.6% below the total in Q2 2008. Exports to the top 3 markets, Algeria, Turkey and India, all showed a significant increase over the first quarter 2009. In particular, total Spanish exports in Q2 were 38.5% above the Q1 2009 total, while German and Italian exports both fell slightly in Q2 compared to Q1.

EU27 imports, on the other hand, showed a marked drop in the second quarter from 6.6 million tonnes in Q1 to 5 million tonnes in Q2 2009. The second quarter total was, in fact, 55% less than in Q2 2008. The top 4 source countries for imports, Russia, Ukraine, Turkey and China, all showed a significant fall in their exports to the EU. Italy is the largest importer of steel in the EU accounting for a quarter of the total, and Italian imports dropped by 27% in Q2 compared to Q1 2009. After a small positive trade balance in the first quarter of 2009, the EU27 showed a positive balance of 3 million tonnes in the second quarter; the trade balance has been negative since the first quarter of 2006.

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In the rest of Europe Turkey's crude steel production was 2.3 million tonnes in August, a drop of only 9%; the year to date production was down 15% to 16.4 million tonnes. Steel production in Serbia was 485 thousand tonnes in the eight months, 64% down on 2008. Swiss production for the year to date fell by 40% to 573 thousand tonnes.

While Turkish production dropped by 15% in the first eight months of 2009, their steel exports, in the first seven months, were only 7% down at 10.7 million tonnes. However, whereas the Middle East and North Africa (MENA) accounted for 61% of total exports in the first seven months of 2008, MENA accounted for 70% of the total in 2009 at 7.5 million tonnes. Exports to the European Union, on the other hand, fell from 4 million tonnes (43% of the total) in January to July 2007 to 2.5 million tonnes (22%) in 2008 and to 1.4 million tonnes (13%) in 2009.

According to ACEA, the European Car Manufacturers Association, passenger car registrations in Europe rose by 3% in August, while the eight months total was down by 8% compared to 2008. In Germany registrations jumped by 28% in August, and were 27% up in the year to date to 2.7 million cars, showing clear benefit from the car scrappage scheme. In Italy, August registrations increased by 8.5%, while the year to date total was down 7.4% to 1.4 million cars. In the United Kingdom the August total increased by 6%, showing some positive results from the car scrappage scheme, although the eight months total was down by 21.5% to 1.15 million cars. French registrations were up 7% in the month, and by 1.1% in the year to date to 1.4 million. Spanish registrations were flat in August, with a fall of 32% in the eight months to 600 thousand cars. These five countries accounted for 76% of total European registrations in the January to August period.

In the CIS countries Russian production was down by 21% in August, bringing the eight months total to 36.8 million tonnes, nearly 28% below the 2008 total. In the Ukraine crude steel production fell by 17% in August, while the year to date was down 35% to 18.9 million tonnes. Production in Kazakhstan decreased by 20% in the eight months to 2.5 million tonnes.

On the North American continent crude steel production in the USA dropped by 40% in August bringing the year to date total down 49% to 34.5 million tonnes. Canadian August steel production fell by 49%, with the eight months total also down 49% to 5.7 million tonnes. Mexican production fell by 23% in August, bringing the year to date total down 30% to 8.9 million tonnes.

In South America, Brazilian crude steel production in August decreased by 15%, although the eight months total dropped by 34% to 15.7 million tonnes. Argentinian steel production decreased by 29% in August, and by 39% in the year to date to 2.4 million tonnes. In Venezuela August production was down 41%, while the eight months total fell by 14.6% to 2.5 million tonnes.

Production in South Africa, the major steel producing country on the African continent, fell by 32% in August, bringing the eight months total down 26% to 4.6 million tonnes. Egypt's steel production, on the other hand, only decreased by 13% in August, and by 17% in the year to date to 3.6 million tonnes. Steel production in Iran actually rose by 15% in August, while the year to date total was up 13% to 7.4 million tonnes, almost equal to the French total. Production in Saudi Arabia increased by 35% in August, although the eight months total was down 8% to 3.0 million tonnes.

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Among the key Asian countries Chinese crude steel production continued to climb reaching 52.3 million tonnes in August, 22% higher than the previous year, although the year to date total was only up by 5.2% to 370 million tonnes, 49% of the world total. Indian steel production was flat in August, but rose by 1.5% to 37 million tonnes in the eight months. Japan's steel production fell by 18% in August, while the eight months total dropped by 36% to 52.7 million tonnes. South Korean production only decreased by 5% in August, and by 15% in the year to date to 31 million tonnes. Taiwanese steel production, however, fell by 28% in the month and by 34% in the year to date to 9.4 million tonnes.

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