

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, November 2016



Crude steel production in September for the 66 countries reporting to the World Steel Association was 133 million tonnes, some 2% higher than the September 2015 total. The total for the first nine months of 2016 was 1197 million tonnes, which was 0.5% lower than the previous year's January to September total. However, excluding China, the monthly total was virtually flat and the year to date production fell by 1.5%. Global crude steel production for the full year is estimated to be 1615 million tonnes, compared to 1621 million in 2015.

In the European Union crude steel production for the 28 countries decreased by 1.7% in September to 13.3 million tonnes; however, the year to date total fell by 4.8% to 121 million tonnes. Germany's September production fell by 3.9%, while the year to date total was down by 1.7% at 32 million tonnes. Italy's monthly production fell by 5.3%, increasing the nine months total by 3.3% to 17.3 million tonnes. French production actually increased by 2.2% in September, while the year to date total fell by 8.9% to 10.6 million tonnes. In Spain the monthly total decreased by 8.7%, bringing the year to date total down by 6.8% to 10.6 million tonnes. The UK monthly total rose by 13.3%, although the nine months total fell by 34.2% to 5.7 million tonnes, just below that of Belgium. The Polish year to date total fell by 11.5% to 6.3 million tonnes.

European car registrations in the countries monitored by ACEA increased by 7.3% in September 2016 compared to 2015, bringing the year to date total up by 7.7% to 11.6 million cars. In Germany registrations increased by 9.4% in September, and by 6.1% in the nine months to over 2.5 million cars. UK registrations were only 1.6% up in the month, with the year to date total up 2.6% to 2.15 million cars. In France the monthly total rose by 2.5%, and the nine months total increased by 5.7% to 1.5 million cars. Italian registrations, however, showed an increase of 17.4% in September, while the year to date total also increased by 17.4% to 1.4 million cars. Spain's monthly total jumped by 13.9% in September, while the nine months total rose by 11.5% to 874 thousand cars. These five countries accounted for 73% of European registrations.

Crude steel production in the rest of Europe is dominated by Turkey where September production increased by 8.1%, bringing the year to date total up 4.1% to 24.4 million tonnes. Steel production in Serbia was 10.5% up in the nine months to 811 thousand tonnes, while Bosnian production was 5.3% down in the nine months to 621 thousand tonnes. Norwegian steel production increased by 8.1% in the year to date to 456 thousand tonnes.

Turkish exports of steel in August were 1.4 million tonnes, their highest level since December 2014. 41% of exports in August were deformed reinforcing bars, 14% was hot rolled wide strip and 9.5% was welded tubes. January to August exports rose by 2.2% compared to 2015. One third of exports in 2016 went to the Middle East with 21% to the European Union and 20% to African countries. The largest single market in 2016 was the USA, at 15% of the total, followed by the United Arab Emirates which was 10.5% of total exports.

Russian crude steel production showed a decrease of 2.1% in September, with the nine months total down by 1.7% to 52.7 million tonnes. Ukrainian steel production, however, fell by 8% in September, although the year to date total was up by 7% to 18.3 million tonnes. Kazakhstan's nine months total increased by 9.6% to 3.2 million tonnes while Belarus had a 20% drop to 1.6 million tonnes in the nine months.

On the North American continent US September crude steel production was down by 3.8% to 6.3 million tonnes, bringing the year to date total to 59.7 million tonnes, a decrease of 1.3%. This is the lowest monthly total this year. Canadian production fell by 1.9% in September, and rose by 1.7% in the year to date to 9.7 million tonnes. In Mexico monthly steel production was 5.5% lower, while the nine months total fell by 1.2% to 14 million tonnes.

In South America Brazilian crude steel production increased by 3.1% in September, although the year to date total was down by 9.3% to 22.9 million tonnes. Argentinian production dropped by 27.8% in September, while the nine months total was down by 18.6% to 3.1 million tonnes. In Colombia crude steel production in the year to date was 4.2% higher at 948 thousand tonnes. Steel production in Chile was 8.6% higher in the nine months at 885 thousand tonnes, while Peruvian production rose by 8.1% to 859 thousand tonnes. The Venezuelan year to date total was 78% down at 232 thousand tonnes.

In Africa and the Middle East, South African crude steel production fell by 2.7% in September, while the year to date total was 8.5% down at 4.6 million tonnes. Egypt's production fell by 5% in September, bringing the year to date total down by 18.9% to 3.5 million tonnes. Iranian steel production, on the other hand, increased by 18.8% in the month, while the year to date total was 8% higher at 13.2 million tonnes, almost equal to that of Mexico. The Saudi Arabian nine months total fell by 20.8% to 3.5 million tonnes while production in the UAE was flat in the year to date at 2.2 million tonnes. Steel production in Qatar decreased by 11.2% in the nine months to 1.8 million tonnes.

The five major Asian countries - China, India, Japan, South Korea and Taiwan – all showed an increase in steel production in September apart from Japan. Chinese production rose by 3.9% in September to over 68 million tonnes, 51.3% of global production, while the year to date total was just 0.4% up at 603.8 million tonnes. China's steel exports dropped for the second month running to 8.7 million tonnes from 8.9 million. Only February exports in 2016 were lower at 8 million tonnes. Japanese production fell by 1.5% in the month, while the cumulative total decreased by 0.5% to 78.4 million tonnes.

Indian steel production increased by 8.5% in the month, and was 5.9% higher in the year to date at 71.2 million tonnes. South Korean production increased by 1.1% in September, but was down by 1.8% in the nine months to 51 million tonnes. Taiwanese steel production rose by 10% in the month, but was 1.7% down in the year to date to 16.3 million tonnes. Pakistan's nine months total jumped by 19.1% to 2.55 million tonnes.

India's exports of steel in July fell to 830 thousand tonnes, 16.6% below the June total, although that (995kt) was the highest monthly total since January 2014. 24% of India's exports in July were coated sheet and strip. Semis accounted for 17.4% of July exports. India's largest market for steel in 2016 was Nepal followed by Bangladesh and the United Arab Emirates.

India's steel imports fell to 670 thousand tonnes in July, the second lowest monthly total since December 2013. The bulk of India's imports come from south east Asia with China, South Korea and Japan together accounting for 75% of total imports in 2016. Outside of south east Asia, Russia was the largest supplier of steel to India in 2016.

P G Hunt,
ISSB Ltd