WORLD STEEL REVIEW
Iron & Steel Statistics Bureau, November 2018

Production of crude steel for the 67 countries reporting to the World Steel Association in September was estimated to be 152 million tonnes. This was 4.5% above the tonnage in September 2017, and the year to date was 4.7% above same period of 2017 at 1,347 million tonnes. China is still growing at a faster rate than the rest of the world and in September this was very pronounced as excluding China, the total was just 1.2% higher than in September 2017 and the year to date total was 3.4% up on 2017.

In the European Union crude steel production for the 28 countries rose by just 0.2% in September, compared to September 2017, to 12.8 million tonnes. This brought the year to date total up 1.3% at 128 million tonnes. There were mixed fortunes for the major producers. Germany and Spain saw strong growth, up 7.5% and 5.1% respectively. Belgium was the biggest riser, increasing by 16% with France up 1.4%. This was offset by weakness in Italy, down 0.8%, and Austria, declining by 47%. After last year's strong growth, Poland saw a fourth consecutive month of year on year decline, falling by 11% to give a year to date figure 2.5% behind the prior year.

Turkish steel production decreased for the second consecutive month, down by 5.9% to 2.8 million tonnes in September but was up by 0.9% to 30 million tonnes in the year to date. Serbia's production in the year to date jumped by 34% to 1.5 million tonnes. Bosnian steel production was down by 19% in the year to date at 458 thousand tonnes, while in Norway steel production fell by 5.4% to 418 thousand tonnes.

According to the ACEA, in September 2018, registrations of new passenger cars in the European Union fell by 23.5%. However, this should not come as a surprise, as the introduction of the new WLTP test at the beginning of last month caused an exceptional surge in registrations in August (+31.2%). As a result, most EU countries suffered double-digit losses in September, including the five major markets.

Over the first nine months of 2018, EU demand for passenger cars remained positive (+2.5%), in line with growth expectations for this year. Looking at the five biggest markets, demand went up in Spain (+11.7%), France (+6.5%) and Germany (+2.4%), while car sales contracted in Italy (-2.8%) and in the United Kingdom (-7.5%).

Overall, the CIS region saw production down 1.6% in September. Russian crude steel production was lower, down by 0.3% to 6 million tonnes, while the year to date total was 1.7% higher at 54.2 million tonnes. Ukrainian monthly production was down by 7.6%, bringing the year to date total to 15.8 million tonnes, an increase of 0.8%. In Kazakhstan the year to date total was up by 0.9% to 3.5 million tonnes, while in Belarus it increased by 7.6% to 1.8 million tonnes.

For further information please contact: Steve Andrews Tel: +44 (0) 20 7343 3916
e-mail: steve.andrews@issb.co.uk website: www.issb.co.uk or write to:
Publications Dept, ISSB Limited, Corinthian House, 17 Lansdowne Road, Croydon CR0 2BX

Crude Steel production in Belarus increased by 7.6% in the year to date. This is in addition to imports, which were up 12%, and exports which increased by 3%. The growth in imports was due to an increase in semis and welded tubes from Russia along with plate and seamless tubes from Ukraine. The growth in exports was due to an increase in shipments of rebar to Poland, Ukraine and Canada along with seamless tubes to the US.

On the North American continent, Donald Trump's steel tariffs seem to be having an effect. US crude steel production increased by 9% in September and by 4.5% to 64.2 million tonnes in the year to date. This was at the expense of Canadian steel production which was down 2% in the month, and 3.1% lower in the year to date at 9.6 million tonnes. Mexican steel production increased by just 0.5% in September, and grew by 2.9% in the year to date to 15.4 million tonnes.

Following the introduction of steel tariffs, US crude steel production has risen by 4.5% in the year to date and has taken up the slack from reduced imports which were down 10%. The hardest hit was wire rod, down 30% with Turkey and CIS countries withdrawing from the market. CR also saw a reduction, down 25% with imports from Turkey and Russia again the hardest hit. There was also a reduction in exports, which fell by 9% driven by a reduction in exports of HRC, CR, HDG and Plate.

Overall production was fairly robust in the South American region. Brazilian production rose by 2.5% in September, and remained 2.5% higher in the year to date at 26.1 million tonnes. Argentinian steel production increased by 2.8% in the month, bringing the year to date total to 3.9 million tonnes, an increase of 16%. In Colombia the monthly total increased by 1%, while the annual total was down 12.8% at 828 thousand tonnes. Peruvian steel production was 2.5% up in the year to date to 910 thousand tonnes. Chilean year to date steel production was down 4.8% year on year at 815 thousand tonnes. Meanwhile, steel production in Venezuela continued to show weakness, falling by 86% in the month and 66% in the year to date to just 122 thousand tonnes.

In Africa, South African steel production was 3.1% higher in September and was 3.2% up in the year to date to 4.8 million tonnes. Egyptian production increased by 3.3% in September and by 12.7% in the year to date to 5.7 million tonnes. In the Middle East, growth in Iran slowed somewhat a 4.3% increase in steel production in September with the year to date total up by 20% to 18.5 million tonnes. Saudi Arabian steel production increased by 4.7% in the year to date to 4 million tonnes. Production in the United Arab Emirates fell by 3.9% in the year to date to 2.4 million tonnes.

Turning to the Far East, Chinese steel production increased by 7.5% in September to 80.8 million tonnes, bringing the year to date total up by 6.1% to 699 million tonnes. Japan's September production was down by 2.4%, while the year to date total was just 0.4% higher at 78.6 million tonnes. Crude steel production in India was up 2.1% in the month, making 79.7 million tonnes in the year to date, an increase of 6% on the previous year and overtaking Japan to become the second largest producer of steel. South Korea's production was down 3.4% in September, while the year to date total was up by 2% to 54.1 million tonnes. Taiwan's monthly production rose by 6.5%, bringing the year to date total to 17.3 million tonnes, an increase of 1.8%. Vietnam's year to date total increased by 34.7% to 10.4 million tonnes.

Steve Andrews
ISSB Ltd

For further information please contact: Steve Andrews Tel: +44 (0) 20 7343 3916
e-mail: steve.andrews@issb.co.uk website: www.issb.co.uk or write to:
Publications Dept, ISSB Limited, Corinthian House, 17 Lansdowne Road, Croydon CR0 2BX