

WORLD STEEL REVIEW

Iron & Steel Statistics Bureau, December 2017



Production of crude steel for the 67 countries reporting to the World Steel Association in October was estimated to be 145 million tonnes. This was 5.9% above the tonnage in October 2016, and the year to date was 5.6% above the total for the same period in 2016 at 1.410 billion tonnes. Excluding China, the October total was 5.7% higher than in October 2016 and the ten months' total was 5.1% up on 2016. China accounted for just over 50% of world steel production in the first ten months of 2017.

In the European Union crude steel production for the 28 rose by 3.4% in October to 14.7 million tonnes, compared to October 2016. This brought the ten months' year to date total up 3.7% at 140.5 million tonnes. All the major steel producers saw gains in October. German steel production rose by 2.7%, and the year to date total at 36.5 million tonnes was 2.7% higher than the previous year. Italian steel production increased by 6.1% in October, and was 3.1% up in the ten months to 20.1 million tonnes. The rate of French production growth slowed again, growing by 1.6% in October, while the year to date total increased by 9.5% to 13.1 million tonnes. Spain was the EU's star performer this month with growth of 11.9% in October, bringing the year to date total up by 2% to 11.8 million tonnes. Poland continued its strong gains, and the fifth largest EU producer saw production increase by 11.2% in October and 17.1% in the year to date to 8.6 million tonnes. These increases were somewhat offset by the declines in Belgium, UK and Czech Republic.

Although year to date crude steel production in Spain was up just 2%, imports in the first nine months of the year grew by 13%, suggesting a stronger growth in demand. This increase was driven by flat products. HR imports grew by 13%, principally driven by a trebling of shipments from Turkey with 421 thousand tonnes being imported in the period, and 79 thousand tonnes of imports coming from Egypt, which accounted for virtually no tonnage last year. CR imports grew by 53%, albeit from a smaller base, with shipments from Germany growing more than six-fold to 120 thousand tonnes and imports from India doubling to 90 thousand tonnes.

Turkish steel production rose by 11% to 3.3 million tonnes in October and by 13.3% to 31 million tonnes in the ten months. Serbia's production in the ten months jumped by 29% to 1.2 million tonnes compared to 2016. Bosnian steel production was down by 8.7% in the year to date to 611 thousand tonnes, while in Norway steel production fell by 2.2% to 498 thousand tonnes.

According to ACEA, the European car manufacturers association, In November, registrations of new passenger cars in the EU totalled 1,216,702 units. Demand increased by 5.9% compared to the same month last year, mostly driven by the fact that there was one extra working day this November. Nearly all major EU markets performed well: Spain (+12.4%) and France (+10.3%) posted double-digit growth, followed by Germany (+9.4%) and Italy (+6.8%). The UK car market, however, contracted for the eighth consecutive month, with registrations falling by 11.2% in November.

The CIS region has again seen an improvement. Russian crude steel production was 5% up in October at 6.2 million tonnes, while the year to date total was 3% up at 60.4 million tonnes. Ukrainian monthly production was down by 4.7%, bringing the ten months total to 18 million tonnes, a decrease of 10.9%. In Kazakhstan the year to date total was up by 8% to 3.8 million tonnes, while in Belarus it increased by 13% to 2.1 million tonnes.

On the North American continent US crude steel production was very strong, increasing by 12% in October and by 3.9% to 68.4 million tonnes in the year to date. Canadian steel production was also very strong, 13.4% up in the month, and 2.7% higher in the ten months to 10.9 million tonnes. Mexican steel production decreased by 2.6% in October, but rose by 6.4% in the year to date to 16.7 million tonnes.

Crude steel production in the South American countries was again varied with Brazilian production rising by 3.9% in October, and 8.5% in the year to date to 28.5 million tonnes. Argentinian steel production was again very strong, increasing by 16.1% in the month, bringing the ten months total to 3.8 million tonnes, an increase of 9.7%. In Colombia the monthly total increased by 5.8%, while the year to date total was up by 0.4% to 1.1 million tonnes. Peruvian steel production was 5.8% up in the ten months to 1 million tonnes. Chilean year to date steel production was broadly flat, increasing by just 0.1% to 970 thousand tonnes. Meanwhile, steel production in Venezuela continued its collapse, crashing by 85% in the month and 27% in the year to date to just 304 thousand tonnes.

In Africa, South African steel production was 5.9% higher in October and was 0.4% up in the year to date to 5.2 million tonnes. Egyptian production jumped by 31.4% in October and by 36% in the ten months to 5.5 million tonnes. In the Middle East, Iran showed continued strength with a 24.2% increase in steel production in October with the year to date total up by 20.9% to 17.9 million tonnes. Saudi Arabian steel production, however, fell by 5.1% in the year to date to 4.3 million tonnes. Production in the United Arab Emirates rose by 8.5% in the ten months to 2.7 million tonnes.

Turning to the Far East, Chinese steel production increased by 6.1% in October to 72.4 million tonnes, bringing the year to date total up by 6.1% to 709 million tonnes, 50% of world production. Japan's October production, was down by 1%, while the year to date total was 0.2% lower at 87.2 million tonnes. Crude steel production in India was up 5.3% in the month, making 84.1 million tonnes in the ten months, an increase of 6.4% on the previous year. South Korea's production increased by 4% in October, while the year to date total was up by 3.7% to 59.1 million tonnes. Taiwan's monthly production increased by 2.5%, bringing the year to date total to 19.4 million tonnes, an increase of 7.3%. Vietnam's year to date total increased by 88.8% to 7.9 million tonnes.

Despite the strong growth in Chinese steel production, exports continue to decline. Overall Chinese steel exports have fallen by 34% in the year to date. This decline is across most regions with the EU down 35%, Turkey falling by 58%, Saudi Arabia decreasing by 52% and the two largest markets, South Korea and Vietnam falling by 18% and 34% respectively. The decrease was by no means across the board, however. Shipments to Russia were up 27% along and exports to North America were strong. Exports to the US fell by just 3% following last year's anti-dumping legislation and shipments to Canada shot up by 33%.

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