



## Global Crude Steel Production in June Dips by 2.4% YoY

World crude steel production for the 65 countries was 136 million tonnes in June 2015, a 2.4% decrease compared to June 2014.

World crude steel production in the first six months of 2015 was 813.0 million tonnes, a decrease of -2.0% compared to the same period of 2014. The Middle East showed an increase of 2.9% whereas both North America and CIS reported negative growth of -6.9% in the first half of 2015. Crude steel production in Asia declined by -1.5% while it increased by 0.5% in the EU 28. South American production remained the same in the first six months of 2015 compared to the same period of 2014.

China's crude steel production for June 2015 was 69.0 million tonnes, a -0.8% decrease compared to June 2014. Japan produced 8.6 million tonnes of crude steel in June 2015, a decrease of -6.2% compared to June 2014. India's production was 7.4 million tonnes, up by 0.8% on June 2014. South Korea produced 5.9 million tonnes of crude steel, down by -3.6% compared to June 2014.

In the EU, Germany produced 3.8 million tonnes of crude steel in June 2015, an increase of 5.8% compared to June 2014. Italy produced 1.9 million tonnes of crude steel, down by -11.4% on June 2014. France's crude steel production was 1.4 million tonnes, a decrease of -1.3% compared to June 2014. Spain produced 1.3 million tonnes of crude steel, a -3.3% decrease year on year.

Turkey's crude steel production for June 2015 was 2.8 million tonnes, down by -4.5% on June 2014. In June 2015, Russia produced 5.6 million tonnes of crude steel, down by -7.5% over June 2014. Ukraine produced 2.0 million tonnes of crude steel, a decrease of -21.8% compared to the same month in 2014.

The US produced 6.7 million tonnes of crude steel in June 2015, down by -8.5% compared to June 2014. Brazil's crude steel production for June 2015 was 2.8 million tonnes, up by 2.1% on June 2014. The crude steel capacity utilisation ratio for the 65 countries in June 2015 was 72.2%. This is -3.5 percentage points lower than June 2014. Compared to May 2015, it is 0.1 percentage points higher.

## EU Steel Prices Remains Under Negative Pressure in July

Aggressive offers from third country suppliers are driving down flat product domestic selling values in all EU nations. Iran has entered the market of late, as their export duties have recently been lowered. In general, market activity is reasonable, despite the slowdown ahead of the European summer holidays and reduced export sales volumes during Ramadan. However, little improvement is anticipated in the short term. Buyers anticipate further price reductions during the third quarter.

Basis figures in Germany have reduced for the second consecutive month. Imported Asian material is arriving into northern Europe and putting pressure on domestic producers to lower their selling values. The Greek crisis has added to the uncertainty in the market. Nevertheless, demand in the first half of the year was good, particularly from the automotive and construction sectors.

Prices have come under negative pressure in France. There is fierce competition from imports and between local distributors. Consequently, resale values remain low. Some buyers are cautiously re-ordering for their summer requirements. Nonetheless, end-user activity is subdued with many customers keeping inventories to a minimum.

In Italy, the situation at Ilva is still uncertain, despite the two blast furnaces remaining in operation. Third country suppliers continue to take advantage of this. Import pressure is very strong from all over the world, not just China and Russia. Nevertheless, market activity is generally good.

Prices in the UK have softened as a result of the stronger pound against the euro. Customers are continuing to use Chinese offers as a means of negotiating with local suppliers. Demand remains patchy but distributors are fairly busy and they are reporting reasonable returns.

In Belgium, domestic selling values have been eroded. Distributors are finding it difficult to make a profit as they are holding stock previously bought at higher prices. Purchasing activity is, on the whole, quiet but is better from the building and machine industries.

Spanish prices weakened in July, despite stable domestic sales volumes. The general election, due to take place towards the end of 2015, is likely to result in restricted government spending after the summer holidays. This could temper the growth in steel demand that has been recorded so far this year.

## Mexico Imposes Tariffs on Steel Tubes from Spain, US and India

Mexico has imposed provisional import duties on carbon steel tubing with seams from the United States, Spain and India.

The new measures, announced by the economy ministry in the country's official gazette, come as Mexico steps up efforts to protect its struggling steel industry, which has seen mass layoffs due to a glut of global supply that has hammered prices. Earlier, the economy ministry added 86 steel products to the "sensitive merchandise" list, flagging them for extra scrutiny, as well as beefing up customs controls to prevent avoidance of quotas. The ministry said it had 31 anti-dumping quotas in place, with nearly half on Chinese products. In June, Mexico imposed provisional import duties on hot-rolled steel from Germany, China and France amid an anti-dumping investigation. Later in June, the



government announced import duties on cold-rolled steel sheet from China. Altos Hornos de Mexico, one of Mexico's largest steelmakers, has said it will cut its workforce by 20 percent, suspend investments and reduce production after what it called a drastic fall in prices.

This section is a compilation from various company press releases, business dailies & trade publications.