

International Stainless Steel Forum



Media Release

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First Quarter Stainless Production Lowest Since 2000

Brussels, 8 June 2009. The International Stainless Steel Forum (ISSF) has released preliminary stainless steel production figures which show that 4.8 million metric tons (mmt) of stainless was produced worldwide in the first quarter of 2009. This is the lowest level of first quarter production since 2000.

Production in China and the Americas increased in this quarter when compared to the already depressed fourth quarter of 2008. The relatively good performance of the Chinese stainless industry may be partly explained by the government's economic stimulus package which seems to have created some additional demand for stainless in the country. The increase in the Americas region is on a very small volume of just 411,000 metric tons. All other regions showed decreases in production.

**Table 1: Stainless crude steel production (in '000 metric tons):
1st Quarter 2009 compared to 4th and 1st Quarters of 2008.**

Region	Quarter		Q-o- Q +/- %	Quarter 1		Y-o- Y +/- %
	4/2008	1/2009		2008	2009	
Western Europe/Africa	1,499	1,314	-12.3	2,432	1,314	-46.0
Central and Eastern Europe	50	50	-0.5	96	50	-48.1
The Americas	373	411	10.2	709	411	-42.1
Asia (excluding China)	1,505	1,289	-14.3	2,167	1,289	-40.5
China	1,430	1,769	23.7	1,972	1,769	-10.3
World total	4,856	4,832	-0.5	7,376	4,832	-34.5

Source: International Stainless Steel Forum (ISSF)

Compared to the first quarter of 2008, global stainless steel production was down more than a third in the first three months of 2009. Most stainless steel producing areas showed losses of over 40%. The exception is China, where production fell by just 10.3%. Again, the Chinese government's stimulus package may be a factor. All areas of the world are showing extraordinary stock reductions and low levels of demand in stainless steel-using industries due to the global economic slowdown.

Market Share of Stainless Grades

The market share of chromium-nickel steels is largely unchanged in the first quarter of 2009 compared to the full year 2008. However, chromium stainless steels have seen a relatively large reduction in their market share which is mainly due to the global downturn in car production. The market share of chromium-manganese grades has risen somewhat due to demand from the Chinese domestic market.

**Table 2: Market share of stainless steel grade categories
(estimated percentage of total crude stainless production)**

Grade category	2008	Q1/2009
Chromium-manganese stainless steels – CrMn (200 series)	11.4	13.6
Chromium-nickel stainless steels – CrNi (300 series)	60.5	60.7
Chromium stainless steels – Cr (400 series)	28.1	25.7

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Notes to editors:

The International Stainless Steel Forum (ISSF) is a non-profit research organisation, which serves as the world forum on various aspects of the international stainless steel industry.

Founded in 1996, ISSF is based in Brussels, Belgium.