

International Stainless Steel Forum



Media Release

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Q1 2010 Stainless Production returns to historical levels

Rio de Janeiro, 17 May 2010. The International Stainless Steel Forum (ISSF) has reported that world crude stainless steel production reached almost 7.5 million metric tons (mmt) in the first quarter of 2010. The preliminary figures, released during ISSF's 14th Annual Conference in Rio de Janeiro, indicate an 11.5% increase in production compared to the final quarter of 2009.

Just under 7.5 mmt of stainless steel was produced during the first quarter of 2010, almost the highest ever volume for the first three months of a year. All areas of the world contributed to the increase in production with The Americas leading the way. Nevertheless, a comparison with Q1 2009 is strongly impacted by the extraordinary low production level in Q1 2009 due to the crisis: the apparent increase in production by 54.6% cannot be sustained throughout 2010. ISSF has previously noted that a recovery began in the last two quarters of 2009 as production began to return to normal levels.

**Table 1: Stainless crude steel production (in '000 metric tons):
1st Quarter 2010 compared to 4th and 1st Quarters of 2009.**

Region	Quarter		Q-o- Q +/- %	Quarter 1		Y-o- Y +/- %
	4/2009	1/2010		2009	2010	
Western Europe/Africa	1,807	2,070	14.5	1,315	2,070	57.4
Central and Eastern Europe	62	68	10.4	50	68	37.2
The Americas	465	733	57.5	409	733	79.1
Asia (excluding China)	2,130	2,165	1.7	1,289	2,165	68.0
China	2,236	2,435	8.9	1,769	2,435	37.7
World total	6,700	7,472	11.5	4,832	7,472	54.6

While impressive, the year-on-year comparison should be reviewed in the light of the following points:

1. Production in the first quarter of 2009 was almost the lowest in a decade due to the effects of the global recession which was followed by heavy de-stocking.
2. The global economy began to recover in the second half of 2009 and manufacturing activity in stainless-using industries, such as the automotive sector, is increasing.
3. After a very strong de-stocking in 2009, better market conditions may encourage many fabricators and stainless steel stockholders to replenish their stocks.

ISSF expects that the stainless industry on a world basis will continue to return to its normal production on a reasonable level over the following quarters of 2010 and 2011. For the full year, ISSF expects around 11 to 12% increase in the volume of stainless steel production.

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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.