

International Stainless Steel Forum



Media Release

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Stainless production drops in 2009 but results better than expected

Brussels, 23 March 2010. The International Stainless Steel Forum (ISSF) has released preliminary stainless crude steel production figures which show that 24.6 million metric tons (mmt) of stainless was produced during 2009. This is a decline of 5.2% on 2008

However, the decrease was not even around the world with some regions reporting that production declined by up to 30%, while in other areas stainless fabrication increased by up to 27%. This result probably reflects the uneven nature of the global economic downturn which has seen some countries and regions affected more than others. Similarly, some areas of the world have recovered quicker from the downturn than others.

Excluding China, Asian stainless production declined by 11.6% to 7.1 mmt. While the level of stainless fabrication remained flat in Korea during 2009, it increased by 13% in Taiwan, China. Production declined in Japan by 27% during the year while in India the drop was 11%.

China has been the driving force in the stainless industry and that trend continued in 2009. Production grew by 26.8% compared to 2008 to reach 8.8 mmt. Including China, Asia now makes almost 65% of the world's stainless steel.

Production in the Western Europe/Africa region declined by 22% in 2009 with total volume reaching just 6.5 mmt. Except for South Africa, all countries in the region reported significant declines in production, some as high as 50%.

Table 1: Stainless crude steel production (in '000 metric tons): Full year 2009 compared to 2008.

Region	Full Year		Y-o- Y +/- %	Full Year		Y-o- Y +/- %
	2007	2008		2008	2009 (p)	
Western Europe/Africa	8,669	8,272	-4.6	8,272	6,449	-22.0
Central and Eastern Europe	364	333	-8.6	333	237	-28.9
The Americas	2,604	2,315	-11.1	2,315	1,958	-15.4
Asia (excluding China)	8,994	8,068	-10.3	8,068	7,130	-11.6
China	7,206	6,943	-3.6	6,943	8,805	26.8
World total	27,836	25,930	-6.8	25,930	24,579	-5.2

(p) = provisional. Source: International Stainless Steel Forum (ISSF)

Comparing the individual quarters of 2009 with those of 2008 shows very different growth rates during the year. This reflects the improvement in the global economy during 2009. The first quarters of the year were clearly depressed with production down by 34.5% in the first quarter and by 18.8% in the second. This compares to the first two quarters of 2008 when stainless production was at normal levels.

However, by the third quarter of 2009 there were clear signs of recovery with global production increasing by 11.9% compared to the same period of the previous year which corresponded to

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crisis beginning. Total production was over 7 mmt, one of the highest levels ever recorded for a third quarter. This may be an indication that replenishment of low stocks started then. The final quarter of 2009 showed an increase in stainless production of more than 38% compared to the same quarter in 2008. This high figure is partially due to the extremely low production levels in the final quarter of 2008. However, it also indicates the global economy was recovering and that further reconstitution of inventories of stainless steel was taking place.

**Table 2: Stainless crude steel production (in '000 metric tons):
Four quarters of 2009 compared to 2008.**

		Western Europe/Africa	Central and Eastern Europe	The Americas	Asia (excluding China)	China	World total
Quarter 1	2008	2,432	96	709	2,167	1,972	7,376
	2009	1,314	50	408	1,289	1,769	4,830
	Y-o- Y (+/- %)	-46.0	-48.1	-42.4	-40.5	-10.3	-34.5
Quarter 2	2008	2,433	98	685	2,317	1,889	7,421
	2009	1,571	50	438	1,670	2,298	6,028
	Y-o- Y (+/- %)	-35.4	-49.1	-36.0	-27.9	21.7	-18.8
Quarter 3	2008	1,908	89	548	2,079	1,653	6,277
	2009	1,752	75	650	2,042	2,502	7,021
	Y-o- Y (+/- %)	-8.1	-15.6	18.6	-1.8	51.4	11.9
Quarter 4	2008	1,499	50	373	1,505	1,430	4,856
	2009	1,811	62	461	2,130	2,236	6,700
	Y-o- Y (+/- %)	20.9	23.7	23.8	41.6	56.4	38.0

Source: International Stainless Steel Forum (ISSF)

Over the past few years the stainless steel market has seen a major change in the grades of stainless utilised by the market. Chromium-manganese grades have grown in importance during this period. More recently there has been an increase in the utilisation of chromium grades. Based on available data, ISSF estimates the market share of the three categories of stainless steel. The results for the full year 2009 are shown in Table 3.

**Table 3: Market share of stainless steel grades:
Preliminary estimated share for the four quarters of 2009.**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2009
Chromium-manganese (200 series)	13.3	12.7	10.7	10.4	11.6
Chromium-nickel (300 series)	61.5	62.3	60.7	58.5	60.6
Chromium steels (400 series)	25.2	25.0	28.6	31.1	27.7

Ends

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.