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Global Steel Output Growth Outside of China Continues to Slow

Recently released data from the World Steel Association shows that global crude steel production totaled approximately 156.6 million tons in October. This is 4.9 million tons (3%) more than was produced in September and 11.3 million tons (8%) more than was reported last year for October 2017's production. Last month's year-on-year increase was again very robust, but again it was China's steel production that was largely accountable for the strength. As we have discussed in previous research, China's crude steel production last month increased year-on-year by 10.2 million tons. Globally, slowing is continuing to be seen in many nations around the world.

Global crude steel production outside of China totaled 74 million tons last month. This is 3.1 million tons (4%) more than was produced in September but only 1.1 million tons (2%) more than was reported last year for October's 2017's production. This again marks the smallest year-on-year growth seen since October 2016. As we have discussed in prior work, September at the time also ended up seeing the smallest year-on-year growth seen since October 2016. Overall, the ongoing weakness in global steel production growth outside of China remains concerning. So too does the ongoing weakness in global equity markets, oil prices, and industrial production contractions being seen in many major economies.

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