Global auto majors loosing pricing power for steel

Bloomberg reported that Japan's second biggest carmaker Nissan Motor Company said that increasing in steel prices will hurt carmakers' profits in 2007 and may lead to consolidation in an auto industry. Mr Carlos Ghosn CEO of Nissan Motor Company in an interview in Detroit said “Steelmakers are asking for another price increase in 2007. That will cause a deterioration of the profitability of the industry as a whole.”

Mr Ghosn said that “The automotive industry has lost all of its pricing power. If this is going to continue, it's going to precipitate consolidation in the industry.”

Nissan Motor had sought an alliance with General Motors Corp last year, the world's largest carmaker, in part to reduce purchasing costs but GM rejected the proposed partnership.

Nissan's first-half operating profit fell for the first time in eight years as it paid more for steel and other commodities and also missed sales targets because of a lack of new models.

ISA calls for government support for domestic steel industry

Indian Steel Alliance, in a pre budget memorandum submitted to the steel ministry, has suggested various measures for the benefit of domestic steel makers.

As per report, some of the suggestions are

1. A deduction equivalent to 150% of the amount incurred for R&D expenditure to increase the sector’s R&D spend from a mere 0.26% of the turnover to over 1%
2. Removal of end use restrictions on external commercial borrowings to enable overseas lenders to finance Brownfield projects.
3. Complete set-off of both accumulated loss and unclaimed depreciation from the book profit of steel companies for each year till such loss is fully exhausted
4. Exemption of interest payable on external commercial borrowings from withholding tax.
5. Integrated steel plants with the capacity of minimum 2 million tonnes may be allowed to determine their own rate of depreciation to increase their asset coverage.
6. Bringing down duty on refractories, ferroalloys and coke.
7. Provide steel companies making a capital investment of INR 5000 crore with captive sources for iron ore and coal.
8. Correction in the inverted duty structure by further reducing customs duty on basic raw materials and maintaining 5% duty on finished steel.

**China's trade surplus to reach $190 billion in 2007**

- 07 Jan 2007

The Chinese Academy of Sciences has predicted that the country’s trade surplus increase to a record high of around $190 billion in 2007 despite government efforts to curb exports and encourage imports.

China would overtake Saudi Arabia and Russia to have the world's second largest trade surplus after Germany if these projections came true.

As per estimated last year’s trade surplus would increase 66.4% from a year earlier to $169.4 billion, which is about $1.9 billion higher than $167.5 billion projected by the Ministry of Commerce's official.

China will face more trade disputes this year, as focus of friction will shift from clothing, textiles and shoes to electro machinery products, steel and chemical products.

**Weakening steel demand to spur consolidation in China**

- 07 Jan 2007

Although China's steel output broke 400 million tonnes mark in mid December of 2006, representing a third of the global steel output and its steel export hit a record high of over 40 million tonne, China is likely to see weakening steel demand in 2007. China government’s check on red hot sectors like real estate could lead to slower growth in steel demand this year and activity on the export front is also weakening as enquiries from the USA have become scarce due to the downslide in its economic development.

Chinese steel exporters would continue to suffer loss from tax rebate change as the authority intends to further cut the tax rebate or even cancel that on low end steel export in days to come. Industrial analysts estimate that China's steel export would reduce by 17.5% YoY to 33 million tonnes, while its steel imports down 5% YoY to 17.60 million tonnes in year 2007.

Shutting down inefficient steel mills is one of the major themes of China's steel industry and China’s top planning body National Development & Research Committee has issued a guidance for structural adjustment targeting steel and ten other industries last year. In response, Hebei, China's biggest steel producing province, announced the first list of 26 steel mills with a combined iron capacity of
3.98 million tonnes and 3.73 million tonnes of steel capacity—that required to be closed before the end of 2007. The committee suggests that they would soon release a list for closing blast furnaces with capacity of less than 200 cubic meters and converters and EAFs with capacity of less than 20 tons.

The steel consolidation has failed to attain the kind of progress expected by the authorities who are taking the lead in promoting merger & acquisition among various steel mills. The taxation, distribution, arrangement of employees and debts has restricted these cross regional merger and acquisition. The top ten steel producers are struggling to strengthen their presence, as the new steel industrial policy expects them to secure over 50% of the country's total output by 2010 and over 70% by 2020.

The government seeks to play a bigger role in enhancing the steel consolidation, which has been well displayed in the linkup of Anben and establishment of Shandong Steel Group. The market leader Baosteel has felt increasing pressure from the consolidation fever across the world. It’s efforts to take stake of Maanshan Steel and Jinan Steel has been blocked by local government, which would spur Baosteel and other leading steelmakers to expedite the process in the future.

**LME to launch new metal related contracts**

- 07 Jan 2007

Reuters has reported that the London Metal Exchange aims to cement its position as the pre eminent metals bourse by launching new contracts to double its volumes in the next three to five years.

Mr Martin Abbott CEO of LME said "The LME as a business can't afford to stand still. As exchanges succumb to the urge to merge...one has to assume they will be looking for other business sectors to move into. We want to make sure that if there is expansion in metals, it comes from the LME, not from someone else moving in."

LME intends to launch four types of new contract. They are financially settled futures in non ferrous metals, cleared over the counter contracts for non ferrous metals, futures and OTC contracts for steel, and bilateral & cleared OTC contracts in minor metals and ferroalloys.

The LME currently offers futures contracts in copper, zinc, tin, aluminium, nickel and lead, as well as plastics, aluminium alloy and smaller cash settled mini contracts and has been working on a steel futures contract for some time.
AISI express serious concern over Chinese steel imports

American Iron and Steel Institute, based on the US Commerce Department’s most recent Steel Import Monitoring and Analysis, reported that steel import permit applications for the month of December 2006 totaled 2,590,000 net tons, 26% decrease from the 3,495,000 permit tons recorded in November and a 24% decrease from the November preliminary imports total of 3,389,000 NT.

AISI said that, however, on an estimated full year basis for 2006, including November preliminary and December permits, total imports this year would be 45 million tons of steel mill products, including 36 million tons of finished steel, both all time records. AISI said that, for December, the largest volume of steel import permit applications for an individual country was, once again, China at 415,000 net tons with other notable countries being Ukraine at 243,000 net ton and Taiwan at 203,000 net tons.

Mr Andrew G Sharkey III president & CEO of AISI said that “AISI has serious concern over the fact that 2006 total and finished imports appear likely to set all-time records and imports from China, a country that practices mercantilist trade policies, have surged to unprecedented levels. The fact that this has occurred in the face of a record buildup of service center inventories and a slowing demand only exacerbates our concern and gives further cause to the need to defend, enhance and enforce US trade laws.”

Estimated full year 2006 imports from China would be 5.4 million tons, up by 125% from 2005. On an estimated full year basis, 2006 will likely see a precipitous rise in imports of all major Steel Mill Product categories.

China still deficit for high end steel

Although, China’s production of value added steel varieties has expanded notably especially for shipbuilding plate, pressure vessel plate, container plate, bridge plate, silicon steel and the auto grade steel sheets, but still the supply remains short of demand and Chinese users still rely on imports for a part of varieties or grades. China imported 15.306 million tonnes of steel products during January to October 2006 with 11.05 million tonnes or 72.2% being high end steel amounting to $1.266 billion almost 81.4% of total import value.

Mr Wu Xichun of China iron & Steel Association while addressing the 2006 strategic development and investment summit said that Chinese steelmakers should focus on
improving quality of the products in the sector's development course. Mr Wu urged steelmakers to improve quality of steel products and further expand high value added steel output to replace the imports. He put this as the main task and goal of future steel product mix upgrading.

Mr Cai Weici deputy director of China Machinery Industry Federation said that “Due to slow structure upgrading of the upstream sectors, equipment manufacturing industry tends to be confined of growth.” Mr Cai thus urged to base product mix upgrading on requirements of those manufacturing enterprises, reinforce new product development and enable the equipment industry to rely on domestic steel supply. Mr Cai contended propping up of the steel industry over equipment manufacturing will include richer varieties, higher quality in addition to increased output.

Mr Gao Huiju deputy chief engineer of Dongbei Special Steel Group disclosed that many quality problems may occur. A manufacturer of equipments also said raw material has been the major problem that prevents their product competing with those made abroad giving example of gas pipes.

The high price of imported steel products also makes equipment price cut unaffordable and special steel enterprises are having a good opportunity to develop with growth of the Chinese manufacturing sector.

(Sourced from Mysteel.net)

**Allegheny Ludlum increases price for duplex SS**

YIEH reported that US based Allengheny Ludlum Corp has raised its base price for one of its duplex stainless products AL 2205 by 4 % effective since January 3rd 2007.

Sources said the strong demand from oil, gas, and energy market helped the price hike. AL 2205 is a duplex stainless steel alloy, which contains chromium, molybdenum and nitrogen and thus has excellent resistance to general corrosion required for these markets.
U.S. railroads break freight volume, intermodal traffic records in 2006

U.S. railroads’ traffic fortunes in 2006 can best be summed up this way: record-breaking. The roads moved an all-time-high 12.3 million intermodal loads, up 5 percent, and handled record freight volume of 1.74 trillion ton-miles, up 2.5 percent compared with 2005, according to Association of American Railroads (AAR) data. The railroads set the previous records of 11.7 million intermodal loads and 1.69 trillion ton-miles in 2005.

U.S. roads also originated 17.4 million carloads, a 1.2 percent increase compared with 2005 data. Coal and grain traffic increased 4.7 percent and 4.3 percent, respectively; chemical traffic decreased 1.1 percent.

“Because of record-high traffic levels, capacity expansion will be a key issue in 2007,” said AAR Vice President Craig Rockey in a prepared statement.

In December, U.S. roads originated 1.3 million carloads, up 2.4 percent, and 889,172 intermodal loads, up 1.8 percent compared with similar 2005 data. During the fourth quarter, the railroads boosted carloads 0.9 percent to 4.2 million units and increased intermodal loads 1.4 percent to 3.1 million units.

Meanwhile, Canadian railroads’ originated carloads decreased 1.9 percent to 3.8 million units last year while intermodal volume rose 5.1 percent to 2.4 million units compared with 2005 data. Originated carloads dropped 4.2 percent in December to 268,234 units and fell 4.2 percent in the fourth quarter to 934,528 units; intermodal loads increased 4.8 percent in December to 167,529 units and rose 3.1 percent in the quarter to 595,083 units.

On a combined cumulative-volume basis in 2006, 15 reporting U.S. and Canadian railroads originated 21.2 million carloads, up 0.7 percent, and 14.6 million trailers and containers, up 5 percent compared with 2005 data.

In Mexico, Kansas City Southern de México S.A. de C.V.’s carloads carried totaling 592,025 units decreased 2.5 percent in 2006 while total intermodal traffic totaling 212,420 units increased 0.2 percent compared with 2005 data. December carloads totaling 44,754 units rose 4.9 percent and intermodal loads totaling 15,604 units increased 15.2 percent.

Moody sees moderation in metal prices in 2007

Moody’s Investor Services believes that metal prices in 2007 will continue to be positive for producers although they will dip somewhat due to lower demand from the United States, partially offset by continued strong demand from China. Moody’s Investor Services in a recent report titled Base Metals Industry Outlook 2007 said that “Supply will also continue to be constrained by lack of new capacity in copper, zinc and nickel. Price levels of these metals are likely to continue to derive support from continued production challenges and ongoing labor disputes.”

It said that “The biggest threat to prices, apart from a significant reduction in Chinese demand, will be from the fund sector which has supported growth in prices over the past few years, but also contributed significantly to increasing volatility witnessed in 2006. Other significant negative factors for the entire mining industry are both operating cost platforms and development costs.”

In case of nickel, Moody’s expects a price correction from current levels, which could
be significant, but it believes that the price will remain high. It said that “The nickel price has been on a rise for a year as demand for stainless steel has been strong, the exchange inventory has dwindled to just over one day’s supply, supply disruptions have persisted and the timetable for new mine supply has been pushed out. It is now accepted that the deficit expected in 2006, could occur again in 2007.” Moody’s said the biggest negative factor for nickel producers today, was the rapid escalation in development costs and while these costs and delays support the nickel price, they also have a direct negative impact on companies involved in producing the metal.

Moody’s believes the zinc price is likely to correct in 2007, but will remain at attractive levels for producers. It said that strong demand from China is likely to continue as it expands its galvanizing capacity. It said “The greatest risk to zinc would be a reduction in demand for galvanized steel, a sector that Moody’s believes will perform well in 2007.”

**Credit Suisse downgrades steel sector**

- 04 Jan 2007

It has been reported by MarketWatch that Credit Suisse downgraded the steel sector to underweight from market weight, saying steel markets are getting tougher in both the US and Europe. Credit Suisse cited rising imports from Asia, where steel is around $150 to $200 a tonne cheaper than Western prices.

It said “The European steel market looks fine for now but will likely see problems in three to six months. Inventory is rising but most importantly having seen prices equalize with the US and Europe is already seeing major tonnage of imports.”

**AK Steel announces February 2007 surcharges**

- 04 Jan 2007

AK Steel has advised its customers that a $180 per ton surcharge will be added to invoices for electrical steel products shipped in February 2007. February 2007 surcharges for the broad range of stainless steel products that AK Steel produces can be found on the company's web site at www.aksteel.com.

AK Steel's surcharges are based on reported prices for raw materials and energy used to manufacture the products, with the December 2006 purchase cost used to determine the February 2007 surcharges.
China's 2006 trade surplus up by 27.2% YoY to $177 billion

China’s General Administration of Customs revealed recently that China's trade surplus reached $177.47 billion in 2006 as its exports rose by 27.2% YoY over 2005 to $969.08 billion and imports were up by 20% YoY to $791.61 billion. China's exports and imports in 2006 reached $1.76 trillion, $338.78 billion more than that in 2005, a YoY growth of 23.8%.

The trade figures for 2006 are higher than the Ministry of Commerce projection, which forecast the aggregate trade surplus would be $168 billion.

Seven countries or regions had bilateral trade volume with China of over $100 billion in 2006, with China's top three trading partners, the European Union, the United States and Japan over $200 billion. Taiwan for the first time saw its trade with China's mainland surpass $100 billion to $107.84 billion.

Electronic and machinery products remained the top export items in 2006, rising by 28.8% YoY to $549.44 billion. Exports of clothing reached $95.19 billion up by 28.9% YoY and exports of textile products rose by 18.7% YoY to $48.8 billion. China exported 43.01 million tons of steel in 2006 up by 109.6% YoY.

China's imports of primary products rose by 26.7% to $187.14 billion in 2006, including 326 million tons of iron ore up by 18.6% YoY. Steel imports dropped by 28.3% to 18.51 million tons while autos were up by 40.7% to 229,000 units.

Customs experts estimate that China's trade volume will surpass $2 trillion in 2007.

Japanese mills may hike prices for SBQ plates

JMB reported that Japanese integrated steel makers will offer $40 to $50 per tonne of hike for shipbuilding steel plate for South Korean shipbuilders for April to September shipment under tight supply when they start the negotiation as early as next week.

US associations release “Steel and the National Defense” report

The critical interdependence of US's domestically produced steel and America's national security is detailed in a new industry analysis, which urges public policies that promote further investment in domestic manufacturing rather than increasing reliance on foreign sources of steel and steel related products.
Issued by the American Iron and Steel Institute, Steel Manufacturers Association, Specialty Steel Industry of North America and United Steelworkers, the analysis explains that the US steel industry's ability to supply the defense establishment will depend on its ability to compete in its commercial markets and maintain an onshore manufacturing presence.

It outline that with much of America's steel related manufacturing base being moved offshore due to market distorting, and often illegal, foreign government incentives and unsound economic policies at home, the US military could lose its principal source of strategic metals and if this were to occur, the United States would become dangerously dependent upon unreliable foreign sources of supply.

The report details the importance of domestically produced steel to US’s national defense and highlights the increased need for steel to improve US’s major military platforms, strengthen the nation's industrial base and harden our vital homeland security infrastructure. It notes further that all segments of the domestic steel industry contribute directly or indirectly to the defense industrial base. From missiles, jet aircraft, submarines and Humvees, domestic and specialty metals play an important direct role in the strength of the US military.

The analysis also singles out the government of China's massive support of its steel industry as an artificial advantage in international competition that, if left unchallenged, will result in the continued transfer of significant defense-related manufacturing capability to this growing military power in Asia.

To download a complete copy of "Steel and the National Defense" please visit www.steel.org.

**Hot band spot prices still going down in US**

- 13 Jan 2007

SteelBenchmarker™ reported that the US hot band spot price for January fell by 1% to $578 per ton FOB the mill, 11th drop in a row although the world export hot band prices was up slightly to $503 per ton FOB the port of export for the second time, Chinese hot band EXW price surged by 6.6% to $417 per ton for the third time and the Western European HRB price rose by 1.4% to $581 per ton EXW for the third time.

The four benchmark prices for hot rolled band included in the January 10th 2007 report are
1. US
$578 per metric ton FOB the mill
Down by $6 per ton from $584 two weeks ago
Down by $120 per ton from the peak of $698 on July 24th 2006

2. World Export Price
$503 per metric ton FOB the port of export
Up by $1 per ton versus $502 two weeks ago
Down by $107 per ton from the peak of $610 on June 12th 2006

3. Western Europe
$581 per metric ton EXW
Up by $8 per ton from $573 two weeks ago
Down by $50 per ton from the peak of $631 on July 24th 2006

4. China
$417 per metric ton EXW
Up by $26 per ton from $391 two weeks ago
Down by $47 per ton from the peak of $464 on June 12th 2006

SteelBenchmarker publishes steel benchmark prices for hot rolled band, cold-rolled coil, rebar, and standard plate in the US, Western Europe, mainland China and the world export market twice each month

**Nickel hits all time high**

- 21 Jan 2007

On Friday, nickel for delivery in three months jumped by USD 800 and closed at an all time high of USD 36,300 a tonne on speculation that some 1000 tons may have been lost at sea.

1000 tonnes is equivalent to nearly 20% of the total amount of nickel held in London Metal Exchange warehouses, which stand at 5,178 tonnes, or less than two days of global world consumption.

Nickel supply has been extremely tight in 2006 resulting in price movement from USD 13,500 at the start of 2006 to these levels in just about 12 months.
WBMS estimates global nickel deficit of 80,000 tonne in 11 months  - 20 Jan 2007

The World Bureau of Metal Statistics said that the global nickel market recorded a deficit of 80,000 metric tons during the first 11 months of 2006, with reported stocks some 33,000 tons lower.

WBMS said that the mine production was up 5.1% higher YoY at 1.281 million tons, while refined production was 2% up on the same period of 2005 with output increases in Russia and Canada more than compensating for losses in Oceania.

WBMS added that the world nickel demand was 72,000 tons higher than in the first 11 months of last year.

NDRC sees stable domestic steel prices in 2007  - 20 Jan 2007

According to a report released by the National Development and Reform Commission, China will see a balance of supply and demand for steel in 2007 with the steel price remaining close to last year's level.

The report said that the average steel price in 2007 is expected to be around CNY 3800 per tonne (USD 507) as against last year's CNY 3737 per tonne (USD 498).

In the report, Chinese raw steel output in 2007 is projected to be 462 million tons up by10% YoY 8% points lower than the growth in 2006 and that the domestic steel demand will also grow by about 10% indicating equilibrium of supply and demand.

(Sourced from MySteel.net)

Global crude steel output in 2006 reaches 1.239 billion tonnes  - 23 Jan 2007

The International Iron and Steel Institute have announced that world crude steel output reached 1.239 billion tonnes for the year 2006 representing an increase of 8.8% YoY as compared to 2005. 2006 production is 65.3% above the total production for the world ten years ago and 45.7% above the total five years ago with most remarkable growth coming from China and Asia.

Some of the noteworthy points are
1. In 1996, China produced 101.2 million tonnes of crude steel. By 2001 this had risen to 150.9 million tonnes, an increase of 49.1%. In 2006, China produced 418.8 million tonnes of crude steel, an increase of 313.8% in just ten years.
2. China’s share of world crude steel production has also increased exponentially. In 1996, China became the largest steel producing country in the world for the first time, accounting for just 13.5% of production. In 2006, this share had risen to 33.8%, just above one third of all crude steel produced in the world.

3. Ten years ago the Asia region accounted for 38.4% of all crude steel produced. By 2001, this percentage had risen to 41.6%. In 2006, the Asia region accounted for 53.7% of world crude steel production.

The region wise crude steel production for December 2006 and year 2006 are as under

<table>
<thead>
<tr>
<th>Region</th>
<th>Dec'05</th>
<th>Dec'06</th>
<th>Change</th>
<th>2005</th>
<th>2006</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>50.143</td>
<td>58.110</td>
<td>15.9%</td>
<td>570.409</td>
<td>649.084</td>
<td>13.8%</td>
</tr>
<tr>
<td>EU (25)</td>
<td>14.867</td>
<td>15.824</td>
<td>6.4%</td>
<td>187.454</td>
<td>198.476</td>
<td>5.9%</td>
</tr>
<tr>
<td>North America</td>
<td>10.481</td>
<td>9.644</td>
<td>-8.0%</td>
<td>125.971</td>
<td>131.710</td>
<td>4.6%</td>
</tr>
<tr>
<td>CIS (6)</td>
<td>10.044</td>
<td>10.650</td>
<td>6.0%</td>
<td>113.103</td>
<td>119.557</td>
<td>5.7%</td>
</tr>
<tr>
<td>South America</td>
<td>3.860</td>
<td>3.804</td>
<td>-1.5%</td>
<td>45.335</td>
<td>45.435</td>
<td>0.2%</td>
</tr>
<tr>
<td>Africa</td>
<td>1.450</td>
<td>1.574</td>
<td>8.6%</td>
<td>17.466</td>
<td>17.125</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Middle East</td>
<td>1.242</td>
<td>1.232</td>
<td>-0.8%</td>
<td>14.646</td>
<td>14.764</td>
<td>0.8%</td>
</tr>
<tr>
<td>Oceania</td>
<td>0.678</td>
<td>0.727</td>
<td>7.2%</td>
<td>8.646</td>
<td>8.742</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

Volume is in million tonnes
Source is IISI

But the growth in crude steel production is true only for Asia, which had substantial YoY growth in 2005 as other regions, with negative growth in 2005 have only recovered the production in 2006.

<table>
<thead>
<tr>
<th>Region</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>13.90%</td>
<td>17.20%</td>
<td>13.80%</td>
</tr>
<tr>
<td>EU (25)</td>
<td>5.20%</td>
<td>-3.30%</td>
<td>5.90%</td>
</tr>
<tr>
<td>North America</td>
<td>7.30%</td>
<td>-5.20%</td>
<td>4.60%</td>
</tr>
<tr>
<td>CIS (6)</td>
<td>6.50%</td>
<td>-0.20%</td>
<td>5.70%</td>
</tr>
<tr>
<td>South America</td>
<td>6.60%</td>
<td>-1.10%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Africa</td>
<td>2.00%</td>
<td>5.90%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Middle East</td>
<td>6.30%</td>
<td>7.10%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Oceania</td>
<td>-1.20%</td>
<td>4.10%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

Volume is in million tonnes
Source is IISI
Top 10 crude steel producing countries in 2006

The International Iron and Steel Institute have announced that the top three steel producing countries in 2006 were China with 418.8 million tonnes, Japan with 116.2 million tonnes and the USA with 98.5 million tonnes.

The top ten countries are

<table>
<thead>
<tr>
<th>Rank 2006</th>
<th>Rank 2005</th>
<th>Country</th>
<th>2006</th>
<th>2005</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>China</td>
<td>418.8</td>
<td>355.8</td>
<td>17.7</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Japan</td>
<td>116.2</td>
<td>112.5</td>
<td>3.3</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>USA</td>
<td>98.5</td>
<td>94.9</td>
<td>3.8</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Russia</td>
<td>70.6</td>
<td>66.1</td>
<td>6.8</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>South Korea</td>
<td>48.4</td>
<td>47.8</td>
<td>1.3</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Germany</td>
<td>47.2</td>
<td>44.5</td>
<td>6.1</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>India</td>
<td>44</td>
<td>40.9</td>
<td>7.6</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>Ukraine</td>
<td>40.8</td>
<td>38.6</td>
<td>5.7</td>
</tr>
<tr>
<td>9</td>
<td>10</td>
<td>Italy</td>
<td>31.6</td>
<td>29.4</td>
<td>7.5</td>
</tr>
<tr>
<td>10</td>
<td>9</td>
<td>Brazil</td>
<td>30.9</td>
<td>31.6</td>
<td>-2.2</td>
</tr>
</tbody>
</table>

Volume is in million tonnes
Source is IISI

Brazil has slipped from ninth to tenth place in the list of the top ten steel producing countries. It is also the only country in the list to show negative production growth in 2006.