
Ukrainian steel market shrinks by 51pct in 5 months

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According to Mr Ruslan Mazhinsky Ukrainian Mining and Metallurgical Company marketing director has stated at the 8th Conference Forum "Metal-2009: management, production, trade, and consumption." In January to May 2009, consumption in the Ukrainian steel market registered a 50.9% YoY to 2.041 million tonnes.

According to Mr Mazhinsky in January to May 2009 the steel products deliveries, excluding pipes, of the Ukrainian steelmakers to the domestic market amounted to 1.831 million tonnes down by 46.3% compared to 3.412 million tonnes in the same period last year while imports amounted to 210,000 tonnes down by 71.9% YoY compared to 746,000 tonnes in January to May 2008.

Specifically, during the first five months of 2009 rebar sales in the Ukrainian domestic market decreased by 67.2% YoY to 193,800 tonnes, beam sales went down by 79% YoY to 14,000 tonnes, wire rod sales dropped by 50.9% YoY to 162,500 tonnes, hot rolled coil sales fell by 45.4% to 729,900 tonnes, cold rolled coil sales decreased by 56.2% YoY to 110,200 tonnes, angle sales went down by 64.9% YoY to 54,100 tonnes, channel sales slid by 65.2% to 48,200 tonnes and the sales of other rolled products dropped by 43.5% YoY to 727,800 tonnes all compared to the same period of last year.

Meanwhile, in January to May 2009 Ukraine imported 39,500 tonnes of rebar down by 8.6% YoY, 3,300 tonnes of beams down by 74.8%, 26,500 tonnes of hot rolled coils down by 93% YoY, 26,400 tonnes of cold rolled coils down by 72% YoY, 1,200 tonnes of angles down by 88.1% YoY, 1,600 tonnes of channels down by 78.4% YoY and 109,100 tonnes of other rolled products down by 44.5% YoY all compared to January to May 2008. However, Ukraine's imports of wire rod increased by 33.3% YoY to 1,500 tonnes.

Mr. Mazhinsky said that from the total volume of steel imports to Ukraine, the share of Russian suppliers in January to May 2009 amounted to 56% compared to 60% in 2008, the share of Belarusian suppliers amounted to ten percent compared to two percent in 2008, the share of Polish suppliers amounted to six percent compared to three percent in 2008, the share of Moldavian suppliers amounted to five percent compared to two percent in 2008, the share of Kazakh suppliers amounted to 4% compared to 3% in 2008, while the share of Chinese suppliers amounted to four percent compared to 5% in 2008,.

Mr Mazhinsky had previously forecast a 17.8% decrease YoY in 2009 in the Ukraine's steel smelting volume to 30.5 million tonnes. In addition, Mr Mazhinsky had also stated that, while in Ukraine the steel consumption per capita in 2008 amounted to 181 kilogram per year in 2009 it is expected to amount to 130 kilogram per year in 2010 to 199 kilogram per year, in 2011 to 221 kilogram per year while in 2012 it is forecasted to amount to 211 kilogram per year.

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