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REPORT

STEELMAKING CAPACITY

We estimate that, at the end of 2008, the world's maximum steelmaking production potential (MSPP) was 1518 million tonnes. The figure is based on the highest daily average output in the last three years in all the steel producing nations, converted into annual and quarterly values.

In the final trimester of 2008 and first three months of 2009, global steelmaking output was 71.6 and 71.9 percent, respectively, of total production potential. This shows the seriousness of the economic downturn and the impact on the steel sector. A slight improvement is expected to be recorded in the second quarter of 2009.

In the near future, new capacity for steelmaking will be brought on stream in China, India, South America and parts of the Middle East. The net result of these changes is likely to be a further increase in their maximum steelmaking production potential in the near future. However,

some plant closures will take place, particularly in Europe and United States. The MSPP for these could reduce over time.

The most serious decline in the Steel Production Utilisation Rate (SPUR) occurred in the European region, with a figure of 53.1 percent calculated for the first trimester of 2009 and just 52.6 percent estimated for the second quarter. Eight of the 27 member states are expected to show reductions of in excess of 50 percent.

The NAFTA region was a major casualty in the collapse of steel production in the current recession - with a Steel Production Utilisation Rate (SPUR) of just above 50 percent in the first half of 2009. The rate in the United States fell to below 50 percent in the same period. The figure for Australia and New Zealand combined turned out to be a similar figure in the second trimester this year.

STEELMAKING CAPACITY

REGION	Max. Steel Production Potential ('000s tonnes)			Steel Production Utilisation Rate (%)				Yearly Average (%)	
	Day	Month	Year	Q3/08	Q4/08	Q1/09	Q2/09e	2008	2009
									Q1-Q2
EU 27	---	---	---	---	---	---	---	---	---
EU 15	---	---	---	---	---	---	---	---	---
Other Europe	---	---	---	---	---	---	---	---	---
C.I.S.	---	---	---	---	---	---	---	---	---
NAFTA	---	---	---	---	---	---	---	---	---
South America	---	---	---	---	---	---	---	---	---
Africa	---	---	---	---	---	---	---	---	---
Middle East	---	---	---	---	---	---	---	---	---
Asia	---	---	---	---	---	---	---	---	---
Oceania	---	---	---	---	---	---	---	---	---
WORLD TOTAL	---	---	---	---	---	---	---	---	---

SOURCE: worldsteel/MEPS

(e): Estimate

The MSPP is based on the highest daily average output in the last three years

STEELMAKING CAPACITY

COUNTRY	Max. Steel Production Potential ('000s tonnes)			Steel Production Utilisation Rate (%)				Yearly Average (%)	
	Day	Month	Year	Q3/08	Q4/08	Q1/09	Q2/09e	2008	2009 Q1-Q2
Austria	---	---	---	---	---	---	---	---	---
Belgium	---	---	---	---	---	---	---	---	---
Finland	---	---	---	---	---	---	---	---	---
France	---	---	---	---	---	---	---	---	---
Germany	---	---	---	---	---	---	---	---	---
Greece	---	---	---	---	---	---	---	---	---
Italy	---	---	---	---	---	---	---	---	---
Luxembourg	---	---	---	---	---	---	---	---	---
Netherlands	---	---	---	---	---	---	---	---	---
Portugal (E)	---	---	---	---	---	---	---	---	---
Spain	---	---	---	---	---	---	---	---	---
Sweden	---	---	---	---	---	---	---	---	---
United Kingdom	---	---	---	---	---	---	---	---	---
Bulgaria	---	---	---	---	---	---	---	---	---
Czech Republic	---	---	---	---	---	---	---	---	---
Hungary	---	---	---	---	---	---	---	---	---
Poland	---	---	---	---	---	---	---	---	---
Romania	---	---	---	---	---	---	---	---	---
Slovakia	---	---	---	---	---	---	---	---	---
Rest of EU 27 (E)	---	---	---	---	---	---	---	---	---
EU 27	---	---	---	---	---	---	---	---	---
EU 15	---	---	---	---	---	---	---	---	---
Turkey	---	---	---	---	---	---	---	---	---
Rest of Other Europe (E)	---	---	---	---	---	---	---	---	---
OTHER EUROPE	---	---	---	---	---	---	---	---	---
Kazakhstan	---	---	---	---	---	---	---	---	---
Russia	---	---	---	---	---	---	---	---	---
Ukraine	---	---	---	---	---	---	---	---	---
Rest of C.I.S.	---	---	---	---	---	---	---	---	---
C.I.S.	---	---	---	---	---	---	---	---	---
Canada	---	---	---	---	---	---	---	---	---
Mexico	---	---	---	---	---	---	---	---	---
USA	---	---	---	---	---	---	---	---	---
Rest of NAFTA	---	---	---	---	---	---	---	---	---
NAFTA	---	---	---	---	---	---	---	---	---
Argentina	---	---	---	---	---	---	---	---	---
Brazil	---	---	---	---	---	---	---	---	---
Chile	---	---	---	---	---	---	---	---	---
Venezuela	---	---	---	---	---	---	---	---	---
Rest of S America	---	---	---	---	---	---	---	---	---
S AMERICA	---	---	---	---	---	---	---	---	---
Egypt	---	---	---	---	---	---	---	---	---
South Africa	---	---	---	---	---	---	---	---	---
Rest of Africa (E)	---	---	---	---	---	---	---	---	---
AFRICA	---	---	---	---	---	---	---	---	---
Iran	---	---	---	---	---	---	---	---	---
Saudi Arabia	---	---	---	---	---	---	---	---	---
Rest of Middle East (E)	---	---	---	---	---	---	---	---	---
MIDDLE EAST	---	---	---	---	---	---	---	---	---
P.R. China	---	---	---	---	---	---	---	---	---
India	---	---	---	---	---	---	---	---	---
Japan	---	---	---	---	---	---	---	---	---
R.O. Korea	---	---	---	---	---	---	---	---	---
Taiwan	---	---	---	---	---	---	---	---	---
Rest of Asia (E)	---	---	---	---	---	---	---	---	---
ASIA	---	---	---	---	---	---	---	---	---
Australia/New Zealand	---	---	---	---	---	---	---	---	---
WORLD TOTAL	---	---	---	---	---	---	---	---	---

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