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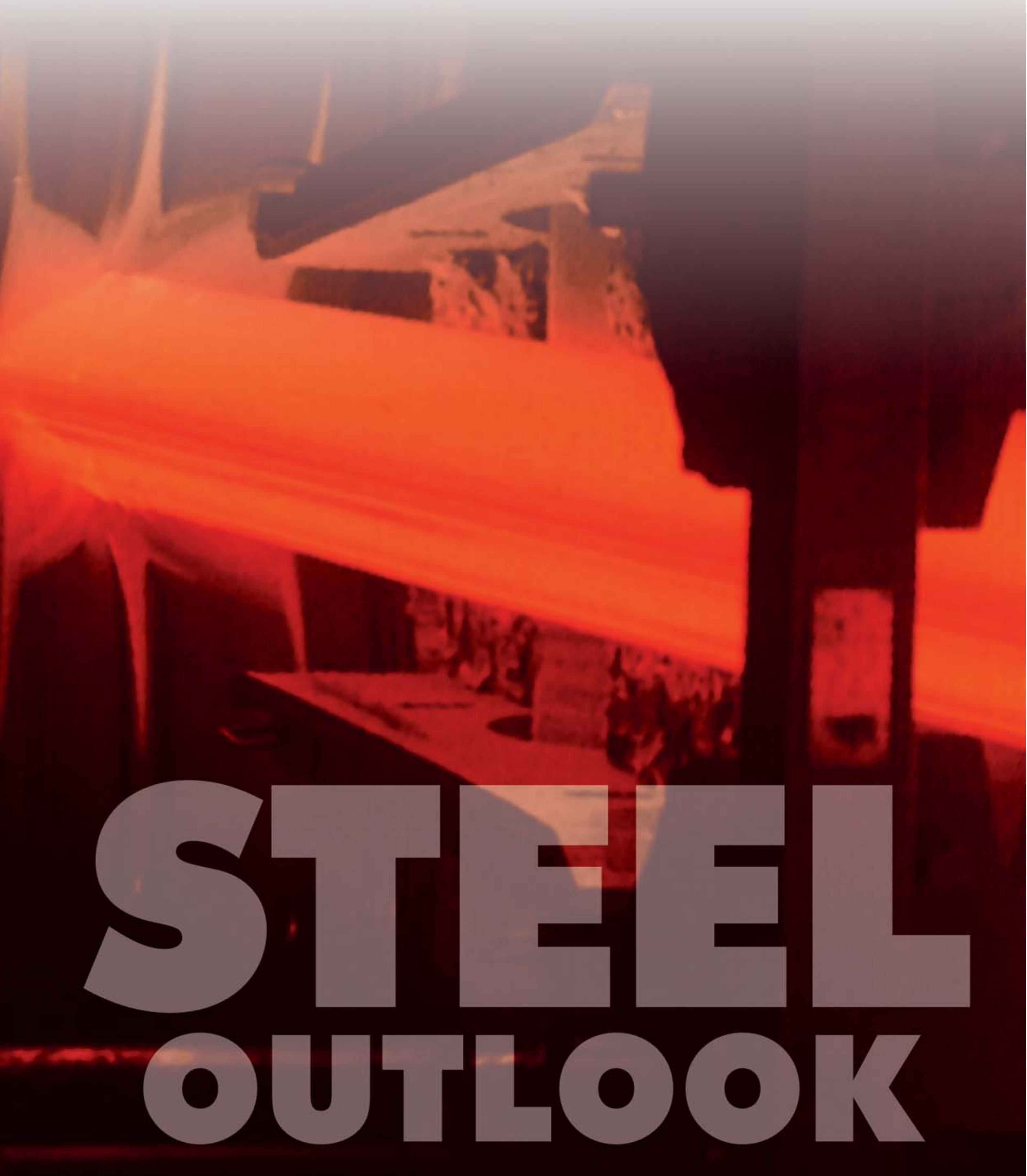

STEEL OUTLOOK

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WORLD STEEL OUTLOOK

QUARTER 3 - 2003

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- **INTERNATIONAL STEEL REVIEW**
- **STAINLESS STEEL REVIEW**

These are in the form of newsletters for easy presentation. Each issue is prepared from "in depth" research into market conditions and price trends in the relevant region under investigation. We undertake extensive discussions with end-users, service centres and steel traders actively operating in the market for each product category. The data collected is analysed and evaluated for presentation in a coherent format useful to our clients. We pride ourselves on being the world leader in the provision of accurate steel price information.

Tables are published showing high and low prices for the most popular product categories and grades. These values are acknowledged as the benchmark for pricing in each country. They are used by steel consumers in a wide range of manufacturing and construction sectors. Our clients also include steel processors, traders, stockholders and steel mills, to obtain an accurate but independent viewpoint of both local and foreign markets. In addition, these reports are utilised by industry analysts, bankers and government departments to keep abreast of current trends within the sector.

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ANNUAL REPORT

- **GLOBAL IRON AND STEEL PRODUCTION TO 2008 - Available January 2004**

This annual report is a five year outlook on the global steel scene. We assess the latest steel consumption figures. Using these, and our knowledge of market trends, we then estimate the likely short term production in the top fifty producing countries worldwide. Longer term predictions are made from an analysis of economic tendencies and cycles within the steel markets in different parts of the world.

CONTENTS

IRON AND STEEL

ONE BILLION TONNES OF GLOBAL STEEL OUTPUT A POSSIBILITY IN 2004

ECONOMIC BACKGROUND

The World Bank is expecting global growth at 3.2 percent this year. This is slightly up on the figure in 2002. This level would have, traditionally, provided a platform for a slow but steady improvement in steel output. These are not however, normal times.

The growth pattern is not evenly distributed across the continents. Advanced economies are forecast to rise by just 1.8 percent in 2003 but expansion in the developing countries is likely to be 5 percent.

Strong growth in the developing nations and the countries in transition is giving good opportunities for higher steelmaking in many parts of the world - including China, Middle East, former USSR and India. The picture in the US and EU is much less exciting.

WORLD SCENE

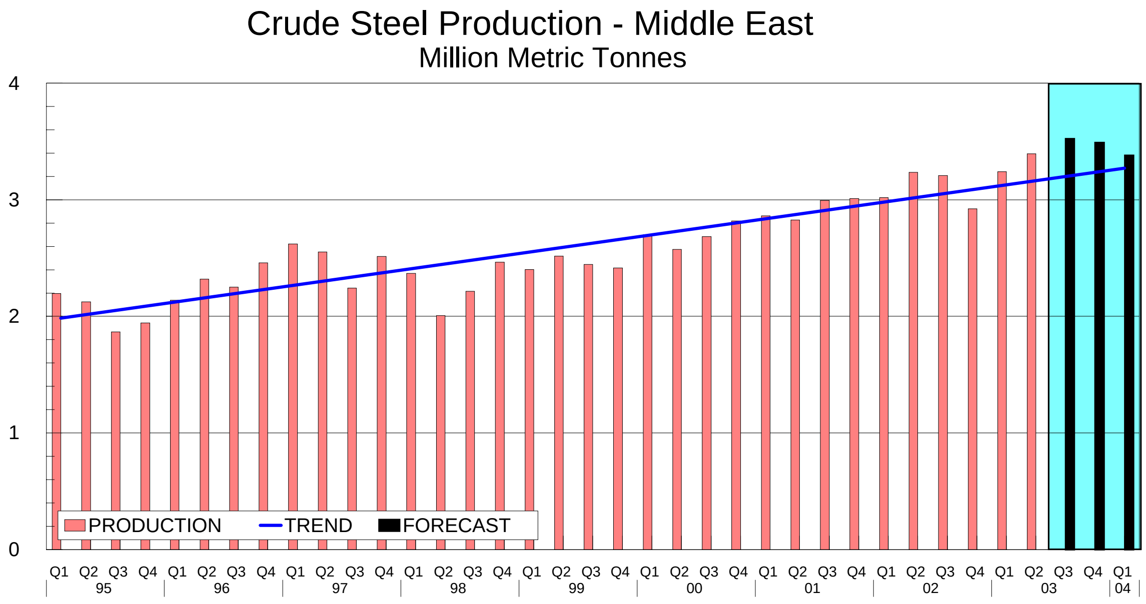
We now forecast world steel production at 952 million tonnes in 2003. This represents an increase of more than 50 million tonnes (6 percent) over the year earlier figure and more than 100 million tonnes above the value recorded in 2001. Further gains are expected in 2004, with prospects of the one billion tonne barrier being breached.

Approximately 80 percent of this year's output rise is attributed to extra steelmaking in Asia, particularly China. We expect no improvements to be recorded in the EU, North America and Australasia. Significant gains are anticipated in all other regions.

Global pig iron production is forecast to expand at the same rate as steel. However, direct ironmaking will fall due to substantial cutbacks in mid year in Venezuela and Iran.

EUROPEAN UNION

Our prediction for crude steel production in this region is broadly similar to our estimate three months ago. We can see little change in output in 2003 from the outturn in the previous twelve months. At the eight month stage, the figure was up 0.8 percent (900,000 tonnes). This will be reduced in



PRODUCTION - CRUDE STEEL

('000 Tonnes)

COUNTRY	Actual Q3/02	Q4/02	Q1/03	Q2/03	Forecast Q3/03	Q4/03	Q1/04	Year 2002	2003
Austria	1469	1559	1605	1575	1530	1570	1550	6189	6280
Belgium	2933	2748	3057	2570	2843	2750	2850	11343	11220
Denmark	19	0	0	0	0	0	0	392	0
Finland	800	1126	1177	1236	1177	1150	1150	4003	4740
France	5005	5117	5093	5392	4205	4700	4850	20259	19390
Germany	11403	11196	11570	11414	10516	10500	11100	45014	44000
Italy	5885	6622	6929	7003	6008	6500	6700	26000	26440
Luxembourg	629	692	707	689	584	620	650	2719	2600
Netherlands	1627	1653	1553	1587	1740	1740	1750	6119	6620
Spain	3968	3951	4040	4177	4103	4000	4100	16365	16320
Sweden	1216	1586	1526	1522	1132	1450	1500	5767	5630
United Kingdom	2830	2777	3094	3247	3209	3200	3250	11684	12750
Rest of EU	648	602	559	550	481	520	550	2587	2110
EU -15	**38432**	**39629**	**40910**	**40962**	**37528**	**38700**	**40000**	**158441**	**158100**
Turkey	4381	4423	4496	4471	4633	4400	4400	16471	18000
Rest of W.Europe (E)	760	838	828	857	805	810	830	3089	3300
OTHER W.EUROPE	**5141**	**5261**	**5324**	**5328**	**5438**	**5210**	**5230**	**19560**	**21300**
Bulgaria	475	470	465	460	450	455	465	1880	1830
Czech Republic	1697	1564	1674	1769	1707	1550	1630	6512	6700
Hungary	518	549	440	465	525	540	470	2052	1970
Poland	2145	2103	1982	2423	2565	2330	2100	8371	9300
Romania	1445	1416	1286	1467	1427	1320	1300	5534	5500
Slovak Republic	1107	1109	1177	1161	1052	1060	1100	4275	4450
EAST EUROPE	**7387**	**7211**	**7024**	**7745**	**7726**	**7255**	**7065**	**28624**	**29750**
Kazakhstan	1202	1275	1194	1193	1093	1140	1150	4815	4620
Russia	15239	14914	14724	15639	15437	15000	15000	58567	60800
Ukraine	8695	8813	8695	9078	9727	9500	9300	34055	37000
Rest of Former USSR	758	774	661	942	917	910	850	2963	3430
TOTAL Former USSR	**25894**	**25776**	**25274**	**26852**	**27174**	**26550**	**26300**	**100400**	**105850**
Canada	3869	3754	4036	4002	3802	3760	3800	15858	15600
Mexico	3855	3654	3859	3903	3858	3700	3800	14049	15320
USA	23900	23300	23233	23148	21989	22500	23350	91605	90870
Rest of N.America	340	357	326	362	352	370	390	1352	1410
NORTH AMERICA	**31964**	**31065**	**31454**	**31415**	**30001**	**30330**	**31340**	**122864**	**123200**
Argentina	1156	1157	1195	1295	1300	1310	1250	4355	5100
Brazil	7657	7810	7539	7789	8252	8120	7900	29603	31700
Chile	350	350	362	370	368	360	360	1280	1460
Venezuela	1079	940	780	1121	1119	1000	1000	4128	4020
Rest of S. America	345	417	377	375	418	400	380	1469	1570
SOUTH AMERICA	**10587**	**10674**	**10253**	**10950**	**11457**	**11190**	**10890**	**40835**	**43850**
Egypt	1149	983	1093	1149	1168	1140	1100	4317	4550
South Africa	2437	2436	2331	2366	2443	2460	2300	9095	9600
Rest of Africa (E)	608	477	626	665	559	600	610	2297	2450
AFRICA	**4194**	**3896**	**4050**	**4180**	**4170**	**4200**	**4010**	**15709**	**16600**
Iran	1829	1868	1874	2034	2132	2110	2000	7323	8150
Saudi Arabia	994	681	982	985	1023	1010	1000	3569	4000
Rest of Middle East (E)	384	373	386	375	369	370	380	1493	1500
MIDDLE EAST	**3207**	**2922**	**3242**	**3394**	**3524**	**3490**	**3380**	**12385**	**13650**
P.R. China	45805	48260	48182	54209	56109	56600	57500	179710	215100
India	7254	7551	7768	7780	7852	7900	7950	28814	31300
Japan	27342	28061	27099	27928	27473	26000	26000	107745	108500
R.O. Korea	11208	11827	11156	11656	11388	11800	11500	45392	46000
Taiwan	4493	4706	4622	4699	4879	4800	4600	18228	19000
Rest of Asia (E)	2939	2939	2939	2939	2962	2960	2940	11756	11800
ASIA	**99041**	**103344**	**101766**	**109211**	**110663**	**110060**	**110490**	**391645**	**431700**
Australia/New Zealand	**2158**	**2137**	**2041**	**1885**	**2044**	**2030**	**2000**	**8307**	**8000**
WORLD TOTAL	**228005**	**231915**	**231338**	**241922**	**239725**	**239015**	**240705**	**898770**	**952000**

SOURCE: IISI/MEPS (E): Estimate *Subject to upward revision

the final four months as the mills cut back to rebalance supply and demand.

The producers are now controlling blast furnace ironmaking to match requirements for sales of flat rolled products. Consequently, we envisage no improvement in output in 2003 over the previous year's figure.

German mills have now become serious about reducing steelmaking. There are reports of slight improvements in orders but these are from a low base. Export sales have collapsed and demand from the automakers and machinery manufacturers is well down on last year.

The main French producer, Arcelor, is sticking to its policy of cutting steel production to prop up prices. Consequently, at the 8 month stage, output was already down by 2 percent year on year. This, after a very positive first six months.

The downward pressure on the Italian market has eased somewhat in recent months. Vehicle production is still sluggish but the threat to the steel market from imports has now receded. A lack of orders for hot rolled strip mill products will lead to a five week shutdown at the ACB plant in Spain. The outturn in steelmaking will be down on the figure in 2002. A similar picture is emerging in Belgium.

UK ironmaking will be approximately 15 percent up on the 2002 value now that the blast furnace at Port Talbot is fully back in service. Steelmaking should be almost 10 percent higher. Domestic demand, however, is not significantly improved. Dutch and Finnish producers will manufacture more this year after plant refurbishments curtailed output in 2002.

OTHER WESTERN EUROPE

We now expect steelmaking to rise by 9 percent in this region this year. Turkish mills continue to benefit from a substantial rise in the volume of imports to the United States, Middle East and Far East. At the eight month stage, iron and steelmaking were up 18.4 and 14 percent, respectively. A degree of restraint is anticipated in the final quarter. Good rates of growth have also been noted in Serbia and Montenegro, which is adding to the improvement in the region.

CENTRAL/EASTERN EUROPE

We are now a little more bullish about the prospects for steel output in this area in 2003. Polish production picked up quite dramatically in the middle of the year and continued through the Summer months. We did not anticipate such an increase which is not driven by strong domestic demand. Export volumes have improved but a downward adjustment is anticipated in the fourth quarter.

The two countries with newly privatised steel industries, the Czech Republic and Slovakia, are expected to show positive trends in output this year. Export business has been buoyant but this is likely to slow as the year progresses. German customers will probably decrease their offtake.

Steady improvement is anticipated in the near term from steel mills in Romania and Bulgaria. Gains could be made in Hungary in the final quarter.

FORMER USSR

Steel output in this region remained quite firm through most of the Summer period. The fall off in orders for export to the Far East was delayed somewhat. Year on year production in August was up 6.6 percent. A modest reduction in the final four months is anticipated but the final figure is now expected to be up 5 percent on the outturn in 2002.

Russian steelmaking is forecast to be 4 percent higher this year, based largely on a strong domestic requirement but also on good export volumes to all parts of the world.

Ukrainian steelmaking is now expected to expand by 9 percent in 2003 to 37 million tonnes. Almost all the growth will be the result of foreign sales to Asia and Middle

PRODUCTION - BLAST FURNACE IRON ('000 Tonnes)

Country	Actual Q2/02	Actual Q3/02	Actual Q4/02	Actual Q1/03	Forecast Q2/03	Forecast Q3/03	Forecast Q4/03	Year 2002	Year 2003
Austria	1206	1109	1176	1192	1178	1100	1100	4606	4570
Belgium	1970	2076	1884	2035	1685	1890	1940	7987	7550
Finland	745	561	786	783	767	700	750	2829	3000
France	3449	3423	3393	3374	3426	3300	3300	13507	13400
Germany	7347	7612	7449	7626	7534	7450	7350	29427	29960
Italy	2459	2399	2365	2263	2597	2400	2300	9677	9560
Netherlands	1026	1441	1449	1367	1443	1450	1400	5367	5660
Portugal	0	0	0	0	0	0	0	0	0
Spain	1007	1076	901	897	923	940	990	4021	3750
Sweden	965	802	985	954	956	800	950	3705	3660
United Kingdom	2120	2169	2162	2439	2501	2500	2450	8575	9890
EU - 15	**22294**	**22668**	**22550**	**22930**	**23010**	**22530**	**22530**	**89701**	**91000**
Turkey	1133	1347	1361	1396	1404	1370	1370	5003	5540
Rest of W.Europe (E)	126	192	183	218	222	220	200	635	860
OTHER W.EUROPE	**1259**	**1539**	**1544**	**1614**	**1626**	**1590**	**1570**	**5638**	**6400**
Bulgaria	286	286	286	286	284	280	280	1144	1130
Czech Republic	1232	1263	1150	1252	1378	1320	1270	4840	5220
Hungary	339	330	340	340	340	330	330	1332	1340
Poland	1331	1358	1351	1288	1392	1310	1310	5298	5300
Romania	625	608	615	525	575	575	555	2488	2230
Slovak Republic	955	923	930	1005	995	940	940	3533	3880
EAST EUROPE	**4768**	**4768**	**4672**	**4696**	**4964**	**4755**	**4685**	**18635**	**19100**
Kazakhstan	946	1004	1061	998	1012	1000	990	4009	4000
Russia	11684	11874	11613	11803	12547	12000	11800	46241	48150
Ukraine	6928	7089	7145	7100	7350	7200	7100	27631	28750
Rest of Former USSR	0	0	0	0	0	0	0	0	0
TOTAL Former USSR	**19558**	**19967**	**19819**	**19901**	**20909**	**20200**	**19890**	**77881**	**80900**
Canada	2210	2200	2066	2119	2111	2100	2100	8643	8430
Mexico	1064	1090	1093	1094	1076	1100	1100	3996	4370
USA	9685	10743	10347	10313	10387	10700	10600	40225	42000
NORTH AMERICA	**12959**	**14033**	**13506**	**13526**	**13574**	**13900**	**13800**	**52864**	**54800**
Argentina	564	573	586	580	620	620	630	2173	2450
Brazil	7113	7716	7891	7543	7867	7720	7820	29650	30950
Chile	244	271	265	274	276	280	280	965	1110
Rest of S.America (E)	163	134	184	152	158	160	170	637	640
SOUTH AMERICA	**8084**	**8694**	**8926**	**8549**	**8921**	**8780**	**8900**	**33425**	**35150**
South Africa	1264	1559	1579	1522	1528	1500	1500	5821	6050
Rest of Africa (E)	500	474	478	499	501	500	500	1949	2000
AFRICA	**1764**	**2033**	**2057**	**2021**	**2029**	**2000**	**2000**	**7770**	**8050**
MID. EAST IRAN (E)	**579**	**551**	**520**	**563**	**547**	**550**	**540**	**2175**	**2200**
P.R. China	42034	42817	44635	44752	49048	49000	49400	168739	192200
India	5785	6138	6490	6675	6575	6550	6550	24315	26350
Japan	20242	20689	20653	19953	20397	20100	19600	80979	80050
R.O. Korea	6456	6823	6906	6734	6866	6800	6850	26570	27250
Taiwan	2533	2562	2532	2526	2524	2500	2500	10168	10050
Rest of Asia (E)	325	325	324	324	326	325	325	1326	1300
ASIA	**77375**	**79354**	**81540**	**80964**	**85736**	**85275**	**85225**	**312097**	**337200**
Australia/N.Zealand	**1711**	**1745**	**1712**	**1654**	**1746**	**1750**	**1750**	**6722**	**6900**
WORLD TOTAL	**150351**	**155352**	**156846**	**156418**	**163062**	**161330**	**160890**	**606908**	**641700**

SOURCE: IISI/MEPS (E): Estimate *Subject to upward revision

East in the form of slab, billet, hot and cold rolled coils. Large gains are also anticipated for Molodovan output this year.

NORTH AMERICA

Steel production in the NAFTA region is now expected to be only slightly higher this year, compared to the outturn in the previous twelve months. The big surge in output during the first quarter led to oversupply and high inventories, particularly in the US. Towards the end of the second quarter customers stopped buying. Demand fell and the supplying mills reappraised their production in view of the new situation. This reassessment was more dramatic than we anticipated and our forecast for output in the region has been adjusted downwards.

In an effort to obtain a price recovery, mills in the United States embarked upon a serious programme of output curbs. We now expect the volumes produced in 2003 to be marginally down on the year earlier figure. Steelmakers in Canada were similarly damaged and took identical actions.

After a poor production year in 2002, the Mexican suppliers increased their level of output and the situation is likely to continue for the next four months, albeit at a slower pace. This is also expected to be the pattern in Trinidad and Tobago.

PRODUCTION - DIRECT REDUCED IRON

('000 Tonnes)

	Actual				Forecast			Year	
COUNTRY	**Q3/02**	**Q4/02**	**Q1/03**	**Q2/03**	**Q3/03**	**Q4/03**	**Q1/04**	**2002**	**2003**
EU -15 (E)	**135**	**135**	**135**	**135**	**135**	**135**	**135**	**540**	**540**
Former USSR (E)	**720**	**720**	**720**	**720**	**730**	**730**	**720**	**2880**	**2900**
Canada	27	152	126	135	139	130	130	179	530
Mexico	1389	1166	1301	1406	1343	1300	1300	4740	5350
Trinidad & Tobago	604	544	612	577	461	450	500	2315	2100
USA (E)	30	30	30	30	20	20	20	120	100
NORTH AMERICA (E)	**2050**	**1892**	**2069**	**2148**	**1963**	**1900**	**1950**	**7354**	**8080**
Argentina	353	431	446	463	291	300	400	1484	1500
Brazil	94	85	105	92	103	100	100	362	400
Peru	9	9	21	23	28	28	26	27	100
Venezuala	930	810	737	1006	997	1010	1200	4812	3750
SOUTH AMERICA	**1386**	**1335**	**1309**	**1584**	**1419**	**1438**	**1726**	**6685**	**5750**
Libya	362	153	327	420	313	340	400	1161	1400
South Africa	472	524	458	478	434	440	470	1702	1810
Egypt (E)	630	630	630	630	630	630	630	2520	2520
AFRICA (E)	**1464**	**1307**	**1415**	**1528**	**1377**	**1410**	**1500**	**5383**	**5730**
Iran	1290	1363	1369	1041	430	810	1000	5282	3650
Qatar	195	186	198	191	171	160	160	751	720
Saudi Arabia	875	746	727	800	863	750	800	3280	3140
MIDDLE EAST	**2360**	**2295**	**2294**	**2032**	**1464**	**1720**	**1960**	**9313**	**7510**
India	1428	1507	1763	1621	1776	1790	1800	5731	6950
Rest of Asia (E)	705	705	705	705	705	705	705	2820	2820
ASIA (E)	**2133**	**2212**	**2468**	**2326**	**2481**	**2495**	**2505**	**8551**	**9770**
Oceania (E)	**255**	**255**	**255**	**255**	**255**	**255**	**250**	**1020**	**1020**
WORLD TOTAL (E)	**10503**	**10151**	**10665**	**10728**	**9824**	**10083**	**10746**	**41726**	**41300**

SOURCE: IISI/MEPS (E): Estimate *Subject to upward revision

SOUTH AMERICA

We have uprated our forecast for steel production in this region because the anticipated significant decline in exports to the Far East in the early part of the second half did not materialise. Cutbacks are still anticipated but the final outturn is now likely to show an increase in 2003 of 7 percent over the year earlier figure.

Brazilian steelmaking should expand by 2 million tonnes this year. This is based on firm local demand but also on good export orders for semi finished products. A weak currency has made Argentinian foreign sales extremely attractive in world markets. Output should advance by in excess of 15 percent. A similar picture can be noted in Chile.

The Venezuelan steel sector may not now quite recover from the poor start to the year. Output is rising but problems with the economy and labour relations have not yet been fully resolved.

AFRICA

Regional steelmaking is forecast to rise by almost 1 million tonnes in 2003. All the major producing nations will share in this higher output.

We expect Egyptian steel production to expand by 5 percent, based on greater construction. South African supply should grow by 6 percent, largely as a result of increased volumes of exports. Algerian and Lybian steel manufacturing will top one million tonnes this year, mainly for domestic consumption.

MIDDLE EAST

A 10 percent growth rate is predicted for steelmaking in this area in 2003. The majority of the increase in output is scheduled for consumption within the region to meet the insatiable demand from the civil engineering and construction segments. Iranian and Saudi Arabian steel sectors should set record production levels in excess of 4 million tonnes.

ASIA

A 10 percent rise in steelmaking is also forecast for this region of the world this year. Total output will be approximately 430 million tonnes. A significant proportion of the extra will be from the blast furnace route - with ironmaking rising by 8 percent.

Consumption is expanding rapidly in China. Construction is the main driver. However, manufacturing for both domestic and export sales is moving ahead quickly. Imports of strip mill products are growing to meet the requirements of the automotive and home appliance segments, despite substantial flat products capacity increases being made by the local steelmakers.

Indian output of steel is also developing briskly. This is partly to meet higher domestic demand due to the strong growth in the economy. However, export sales have also advanced this year. All the improvement in output will come from the blast furnace steelmakers - pushing up pig iron production by 9 percent.

Our forecast for Japanese steelmaking in 2003 has been cut slightly to just above 108 million tonnes. This represents an increase of around 0.35 million tonnes. At the 8 month stage the year on year rise was 3 million tonnes. However, we expect cutbacks in production in the final months due to blast furnace relines. Stocks of steel have been built up in anticipation of this repair work.

South Korean steel manufacturing should reach 46 million tonnes this year - up 1.3 percent. Local demand is expected to slow in the final months due to industrial unrest. Taiwanese steel production has been boosted by strong exports to China. This should continue for the rest of the year - lifting output by 4 percent in 2003. However, there are some doubts about 2004.

OCEANIA

Cuts in output in the final quarter will lead to a small reduction in overall steel production in this region of the world.

MEDIUM TERM FORECAST

WEST EUROPEAN STEEL

Approximately 17 percent of this year's global steel will be supplied from producers located in the European Union. This proportion has been steadily decreasing over the past few years. Moreover, the EU mills were significant exporters - having a positive balance of trade of 20/30 million tonnes.

In this issue we have chosen to assess the fortune of the three largest producing nations - Germany, France and Italy. Between them, these countries are expected to produce in excess of 100 million tonnes this year.

GERMANY

The economy is flat with zero growth. A modest upturn is expected in 2004. Crude steel production in 2003 is likely to be slightly down on the year earlier figure. The gap would have been greater but for sizeable exports to China during the Springtime. Blast furnace iron output should hold up at near the value in 2002.

Over the past decade we have seen reasonably steady growth in steelmaking. The annual figure has increased from just below 39 million tonnes to 46.4 million tonnes in 2002.

We forecast three years of expanding volumes of steelmaking as the economy improves - reaching a peak of almost 48 million tonnes in 2006, before slipping back somewhat in the following year.

FRANCE

The French government have been stimulating the economy against the wishes of European Bank. Nevertheless steel demand is not improving. In fact, it continues to weaken. The final outturn for production in 2003 is likely to be below the result last year.

The trend growth rate for steel manufacturing over the past decade has been approaching 3 percent per annum. This is much faster than the average across the EU and particularly rapid amongst the original member states. However, in the past two years the outturn has been below the peak value in 2000. We do not expect the 2003 and 4 outputs to challenge the latter figure either.

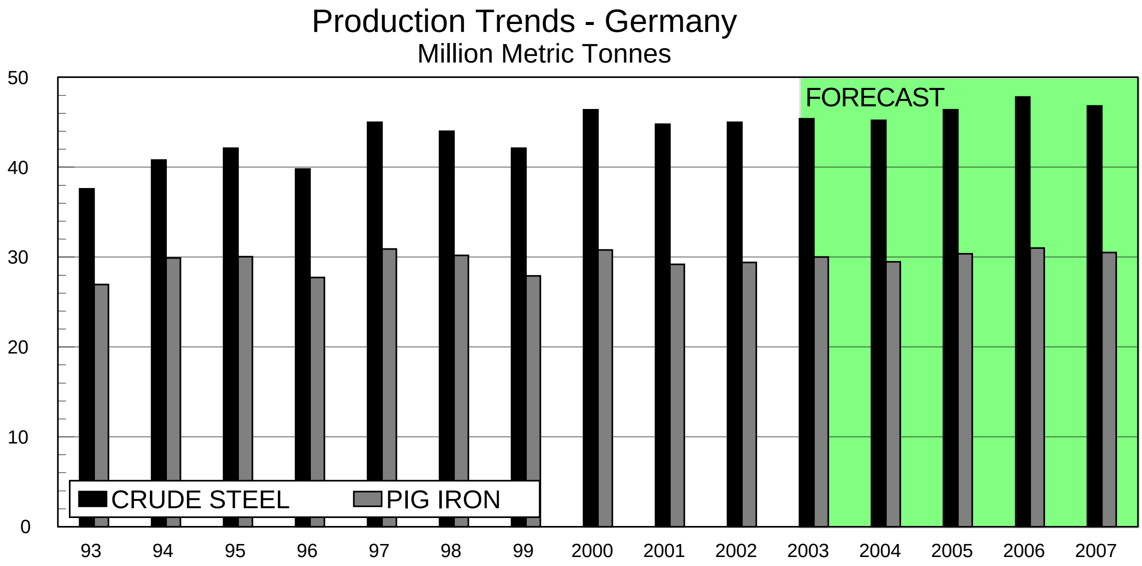
We forecast slow but steady growth in steel production to 2007. A value of 21.4 million tonnes is anticipated for 2006 - falling back slightly in the final year of the review period. We expect blast furnace ironmaking in five years to remain at the current proportion (66 percent) of steel output.

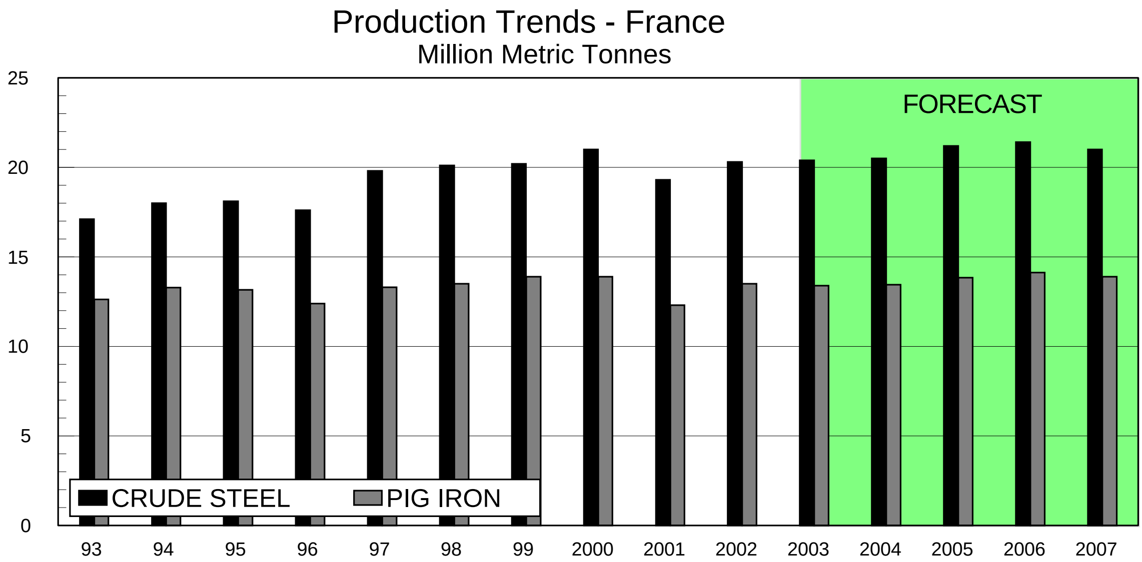
ITALY

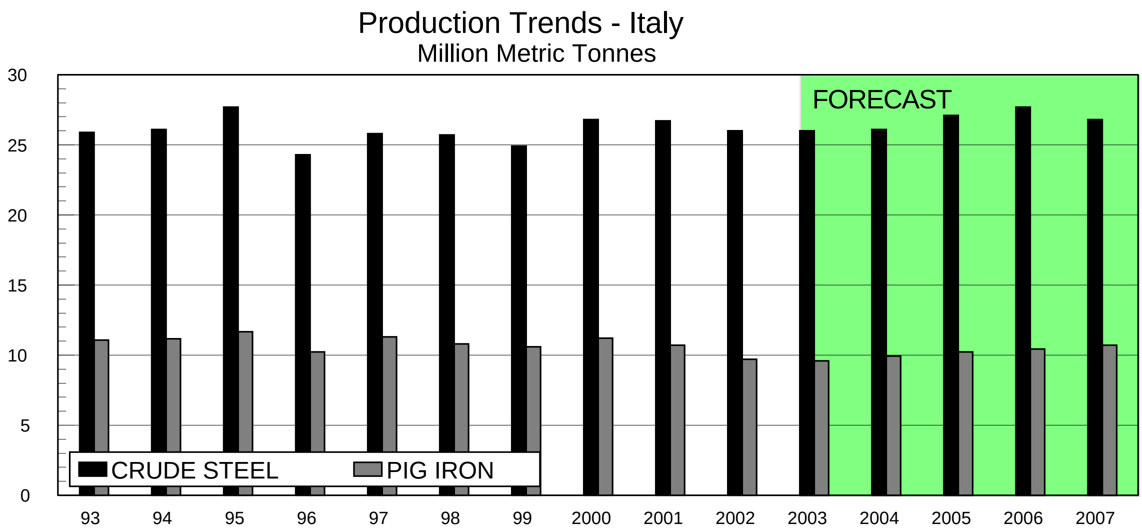
This year's iron and steel production is expected to be close to the level in the previous twelve months. The manufacturing sector in the country sucked in 700,000 tonnes of extra imports in the first quarter. At the same time exports rose by just 170,000 tonnes. However, the import surge has now finished.

The consensus view is that the economies in the European Community will pick up in 2004. This should provide opportunities for a modest revival in steelmaking next year. The machinery manufacturing segment and construction industries have proved reasonably resilient in the past. The black spot at the moment is the automobile business.

As the country's overall economic performance advances, we expect iron and steelmaking to expand up to 2006. In that year we forecast steel production at 27.7 million tonnes - a 13 year high. We expect the electric steelmakers to marginally increase their share of total output over the next half decade.


Production Trends - Germany
Million Metric Tonnes
50
40
30
20
10
0
FORECAST
CRUDE STEEL
PIG IRON
93
94
95
96
97
98
99
2000
2001
2002
2003
2004
2005
2006
2007


Production Trends - France
Million Metric Tonnes
25
20
15
10
5
0
FORECAST
CRUDE STEEL
PIG IRON
93
94
95
96
97
98
99
2000
2001
2002
2003
2004
2005
2006
2007


Production Trends - Italy
Million Metric Tonnes
30
25
20
15
10
5
0
FORECAST
CRUDE STEEL
PIG IRON
93
94
95
96
97
98
99
2000
2001
2002
2003
2004
2005
2006
2007

ROLLED STEEL PRODUCTS

BACKGROUND

We have extended our coverage for production, trade and apparent consumption of rolled steel products in this report and will be a feature of all future issues. The seven countries, plus the European Union, presented in this section are responsible for 72 percent of global output and span four continents. This is the most comprehensive analysis of finished rolled steel output in the world today - covering the ten major product categories.

EUROPEAN UNION

Total production of rolled steel products in 2003 will be slightly down on the figure recorded in the previous twelve months. Most of the decrease will come in the long products segment due to reduced sales to the civil engineering and construction sectors. Flat products output should hold up at near the year earlier figure. This is mainly the result of significant export volumes during the first six months. The import threat has diminished in the second half.

SOUTH KOREA

Output of rolled steel products, this year, will rise by approximately one million tonnes - based on very firm domestic demand. The increase was spread evenly across flat and long products. Greater mill orders from the automotive and home appliance industries helped the situation quite dramatically. In the long products category, good markets in construction helped lift production of reinforcing bars by almost 0.5 million tonnes.

TAIWAN

Rolled steel production is forecast to expand this year by 0.7 million tonnes. Good demand in Far East export markets helped push up output of strip mill products. Consequently flat products supply is expected to grow by 6 percent in 2003. In contrast, long products manufacturing remained flat due to relatively sluggish building activity.

BRAZIL

A significant improvement in the manufacturing sector gave the platform for rising production of finished steel products this year. Moreover, a low currency exchange rate to the US dollar provided opportunities for increasing export volumes to the United States and Far East countries, particularly China. Most of the benefit came in the flat products segment, especially hot rolled strip products. We do not anticipate any significant gains in the supply of reinforcing bars used in construction. Better economic conditions have not yet worked through into this sector.

UNITED STATES

Total shipments of finished rolled steel products is forecast to rise by less than one percent in 2003 relative to the outturn twelve months earlier. This was mainly due to a rise in exports of strip mill products in the first half of the year. The domestic mills are now pushing back imports of strip products. This is mainly benefiting the hot rolled coil segment. Local demand from the automotive industry is weaker. This is adversely affecting the cold rolled and coated sectors. Weak construction orders have held back the performance of the long products categories. Little change is anticipated this year.

CANADA

The Canadian steel sector has suffered along with that in the US. We expect a significant decrease in rolled steel shipments in 2003 compared to the year earlier figure. The flat products segment has suffered most as export markets, particularly in the NAFTA region fell away. Little improvement has been noted in the long products categories. No significant building or infrastructure projects have been started this year.

JAPAN

We predict a modest improvement in total shipments of rolled steel products this year. Output in the first half was exceptionally strong due to good export demand in the Far East. The mills expect this business to continue to be solid but are concerned about home demand and prices. As a consequence, we anticipate a reduction in supply in the second half to prop up selling values. The main benefits from exports have come in the flat products segment. A 2.5 percent rise is predicted. In contrast, poor construction demand at home and little export potential will lead to a decrease in long products supply of near to one million tonnes.

CHINA

Both long and flat products shipments are forecast to expand this year once again - well outstripping production in the EU. All the increases are the result of growing domestic demand. New building construction is rocketing. This is consuming more bar, rod and structural shapes. Furthermore, orders for home appliances are also growing rapidly - thus assisting the strip mill sector.

PRODUCTION - EU (All Grades) **('000 tonnes)**

	Actual				Forecast			Year	
Product	**Q3/02**	**Q4/02**	**Q1/03**	**Q2/03**	**Q3/03**	**Q4/03**	**Q1/04**	**2002**	**2003**
Hot Rolled Coil (E)	7563	7900	8825	8140	7250	7585	7850	31671	31800
Hot Rolled Plate (E)	2074	2235	2444	2525	2111	2270	2270	9500	9350
Cold Rolled Coil (E)	2939	3302	3370	3157	2863	3110	3150	12650	12500
Coated (E)	6451	6739	6879	6969	6372	6580	6500	26600	26800
Elect Sheet (E)	354	404	444	439	367	400	420	1620	1650
Tin Mill Products (E)	1133	1009	1085	1189	1116	1060	1070	4450	4450
Total Flat (E)	**20514**	**21589**	**23047**	**22419**	**20079**	**21005**	**21260**	**86491**	**86550**
Hot Rolled Sections (E)	2061	2243	2232	2103	2015	2150	2150	9120	8500
Wire Rod (E)	4487	4686	4851	4974	4455	4700	4720	19160	18980
Rebar (E)	3240	3377	3396	3570	3084	3250	3250	13770	13300
Merchant Bar (E)	2619	3060	3204	3180	2616	3050	3200	12150	12050
Total Long (E)	**12407**	**13366**	**13683**	**13827**	**12170**	**13150**	**13320**	**54200**	**52830**
Grand Total (E)	**32921**	**34955**	**36730**	**36246**	**32249**	**34155**	**34580**	**140691**	**139380**

E = ESTIMATE

PRODUCTION - SOUTH KOREA (Ordinary Steels) **('000 tonnes)**

	Actual				Forecast			Year	
Product	**Q3/02**	**Q4/02**	**Q1/03**	**Q2/03**	**Q3/03**	**Q4/03**	**Q1/04**	**2002**	**2003**
Hot Rolled Coil	????	????	????	????	????	????	????	????	????
Hot Rolled Plate	????	????	????	????	????	????	????	????	????
Cold Rolled Coil	????	????	????	????	????	????	????	????	????
Coated	????	????	????	????	????	????	????	????	????
Elect Sheet	????	????	????	????	????	????	????	????	????
Tin Mill Products	????	????	????	????	????	????	????	????	????
Total Flat	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Hot Rolled Sections	????	????	????	????	????	????	????	????	????
Wire Rod	????	????	????	????	????	????	????	????	????
Rebar	????	????	????	????	????	????	????	????	????
Merchant Bar	????	????	????	????	????	????	????	????	????
Total Long	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Grand Total	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**

PRODUCTION - TAIWAN (Ordinary Steels) ('000 tonnes)

Product	Actual Q3/02	Actual Q4/02	Actual Q1/03	Actual Q2/03	Forecast Q3/03	Forecast Q4/03	Forecast Q1/04	Year 2002	Year 2003
Hot Rolled Coil	????	????	????	????	????	????	????	????	????
Hot Rolled Plate	????	????	????	????	????	????	????	????	????
Cold Rolled Coil	????	????	????	????	????	????	????	????	????
Coated	????	????	????	????	????	????	????	????	????
Elect Sheet	????	????	????	????	????	????	????	????	????
Tin Mill Products	????	????	????	????	????	????	????	????	????
Total Flat	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Hot Rolled Sections	????	????	????	????	????	????	????	????	????
Wire Rod	????	????	????	????	????	????	????	????	????
Rebar	????	????	????	????	????	????	????	????	????
Merchant Bar	????	????	????	????	????	????	????	????	????
Total Long	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Grand Total	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**

E = ESTIMATE

PRODUCTION - BRAZIL (All Grades) ('000 tonnes)

Product	Actual Q3/02	Actual Q4/02	Actual Q1/03	Actual Q2/03	Forecast Q3/03	Forecast Q4/03	Forecast Q1/04	Year 2002	Year 2003
Hot Rolled Coil	????	????	????	????	????	????	????	????	????
Hot Rolled Plate	????	????	????	????	????	????	????	????	????
Cold Rolled Coil	????	????	????	????	????	????	????	????	????
Coated	????	????	????	????	????	????	????	????	????
Elect Sheet	????	????	????	????	????	????	????	????	????
Tin Mill Products	????	????	????	????	????	????	????	????	????
Total Flat	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Hot Rolled Sections	????	????	????	????	????	????	????	????	????
Wire Rod	????	????	????	????	????	????	????	????	????
Rebar	????	????	????	????	????	????	????	????	????
Merchant Bar	????	????	????	????	????	????	????	????	????
Total Long	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Grand Total	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**

SHIPMENTS - US (Carbon Grades) ('000 tonnes)

Product	Actual Q3/02	Actual Q4/02	Actual Q1/03	Actual Q2/03	Forecast Q3/03	Forecast Q4/03	Forecast Q1/04	Year 2002	Year 2003
Hot Rolled Coil	????	????	????	????	????	????	????	????	????
Hot Rolled Plate	????	????	????	????	????	????	????	????	????
Cold Rolled Coil	????	????	????	????	????	????	????	????	????
Coated	????	????	????	????	????	????	????	????	????
Elect Sheet	????	????	????	????	????	????	????	????	????
Tin Mill Products	????	????	????	????	????	????	????	????	????
Total Flat	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Hot Rolled Sections	????	????	????	????	????	????	????	????	????
Wire Rod	????	????	????	????	????	????	????	????	????
Rebar	????	????	????	????	????	????	????	????	????
Merchant Bar	????	????	????	????	????	????	????	????	????
Total Long	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Grand Total	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**

SHIPMENTS - CANADA (Carbon Grades) ('000 tonnes)

Product	Actual				Forecast			Year	
Product	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
Hot Rolled Coil	????	????	????	????	????	????	????	????	????
Hot Rolled Plate	????	????	????	????	????	????	????	????	????
Cold Rolled Coil	????	????	????	????	????	????	????	????	????
Coated	????	????	????	????	????	????	????	????	????
Elect Sheet	????	????	????	????	????	????	????	????	????
Tin Mill Products	????	????	????	????	????	????	????	????	????
Total Flat	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Hot Rolled Sections	????	????	????	????	????	????	????	????	????
Wire Rod	????	????	????	????	????	????	????	????	????
Rebar	????	????	????	????	????	????	????	????	????
Merchant Bar	????	????	????	????	????	????	????	????	????
Total Long	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Grand Total	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**

SHIPMENTS - JAPAN (Ordinary Steels) ('000 tonnes)

Product	Actual				Forecast			Year	
Product	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
Hot Rolled Coil	????	????	????	????	????	????	????	????	????
Hot Rolled Plate	????	????	????	????	????	????	????	????	????
Cold Rolled Coil	????	????	????	????	????	????	????	????	????
Coated	????	????	????	????	????	????	????	????	????
Elect Sheet	????	????	????	????	????	????	????	????	????
Tin Mill Products	????	????	????	????	????	????	????	????	????
Total Flat	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Hot Rolled Sections	????	????	????	????	????	????	????	????	????
Wire Rod	????	????	????	????	????	????	????	????	????
Rebar	????	????	????	????	????	????	????	????	????
Merchant Bar	????	????	????	????	????	????	????	????	????
Total Long	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Grand Total	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**

SHIPMENTS - CHINA (Ordinary Steels) ('000 tonnes)

Product	Actual				Forecast			Year	
Product	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
Hot Rolled Coil	????	????	????	????	????	????	????	????	????
Hot Rolled Plate	????	????	????	????	????	????	????	????	????
Cold Rolled Coil	????	????	????	????	????	????	????	????	????
Coated	????	????	????	????	????	????	????	????	????
Elect Sheet	????	????	????	????	????	????	????	????	????
Tin Mill Products	????	????	????	????	????	????	????	????	????
Total Flat	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Hot Rolled Sections	????	????	????	????	????	????	????	????	????
Wire Rod	????	????	????	????	????	????	????	????	????
Rebar	????	????	????	????	????	????	????	????	????
Merchant Bar	????	????	????	????	????	????	????	????	????
Total Long	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**
Grand Total	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**	**????**

HOT ROLLED STRIP

HOT ROLLED STRIP	Actual				Forecast			Year ('000 tonnes)	
	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
PRODUCTION (as finished product)									
EU-15 (E)	7563	7900	8825	8140	7250	7585	7850	31671	31800
South Korea	1671	1773	1584	1413	1603	1700	1700	6684	6300
Taiwan (E)	930	1075	970	1000	1030	1050	980	3705	4050
Brazil	1026	1099	1114	1340	1346	1300	1300	4033	5100
SHIPMENTS									
USA	5671	5291	6002	5659	5739	5400	5500	20827	22800
Canada	1186	1217	1237	1183	1130	1200	1200	4953	4750
Japan	3847	3490	3707	3519	3574	3500	3400	14136	14300
China	4660	5069	5046	5086	5118	5250	5400	18209	20500
IMPORTS									
EU-15	1256	1389	1707	E1343	1300	1350	1370	5249	5700
South Korea	1579	1402	1256	1315	1539	1440	1300	5514	5550
Taiwan	366	318	319	298	363	320	320	1193	1300
Brazil	22	6	15	E 15	20	10	15	101	60
USA	1365	1233	895	644	661	700	700	4233	2900
Canada	318	396	329	292	279	300	300	1133	1200
Japan	357	370	336	353	351	360	350	1428	1400
China	1615	1065	2227	2806	2717	2250	2250	5050	10000
EXPORTS									
EU-15	762	860	900	E1000	850	850	800	3021	3600
South Korea	671	715	750	752	748	800	830	2701	3050
Taiwan	454	526	535	421	544	600	550	2054	2100
Brazil	272	271	192	E 188	320	360	300	748	1060
USA	246	290	531	890	479	350	300	872	2250
Canada	276	211	193	258	249	200	200	992	900
Japan	2874	2484	2378	2357	2765	2500	2400	10153	10000
China	254	295	228	243	249	280	250	748	1000
APPARENT CONSUMPTION									
EU-15	8057	8429	9632	E8483	7700	8085	8420	33899	33900
South Korea	2579	2460	2090	1976	2394	2340	2170	9497	8800
Taiwan	842	867	754	877	849	770	750	2844	3250
Brazil	776	834	937	E1167	1046	950	1015	3386	4100
USA	6790	6234	6366	5413	5921	5750	5900	24188	23450
Canada	1228	1402	1373	1217	1160	1300	1300	5094	5050
Japan	1330	1376	1665	1515	1160	1360	1350	5411	5700
China	6021	5839	7045	7649	7586	7220	7400	22511	29500

SOURCE: **KOSA, IBS, AISI, CANSTAT, MITI, OFFICIAL STATISTICS AND MEPS ESTIMATES**
TRADE:- ISSB - OFFICIAL STATISTICS
NOTE: E = ESTIMATE BASED ON LATEST AVAILABLE DATA

EUROPEAN UNION

We expect production of hot rolled sheet/strip for sale in 2003 to be up marginally on the figure last year. After a buoyant first quarter, output was reduced dramatically in the second trimester due to weak real demand and high volumes of imports. The subsequent oversupply situation needed rectification. Curbs on production have continued into the second half.

ASIA

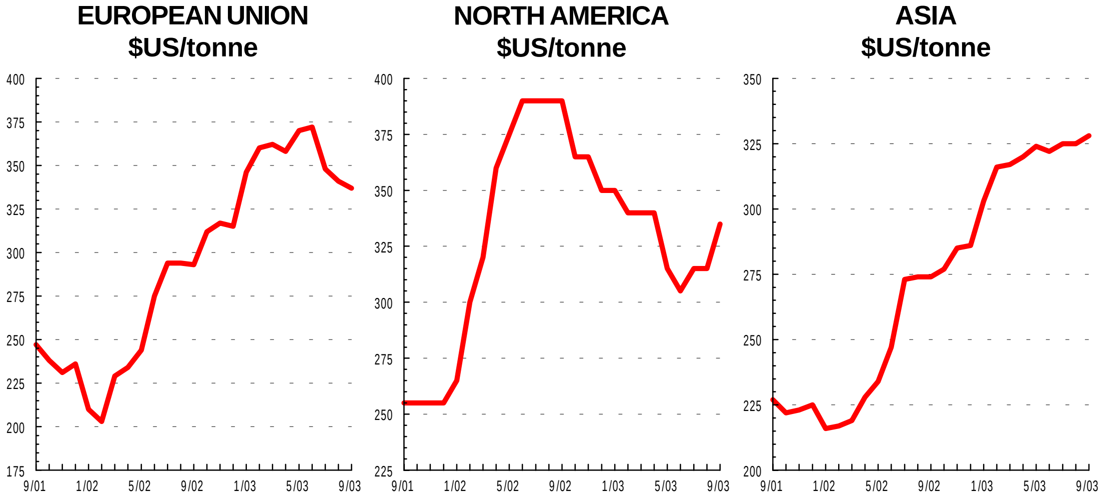
South Korean sheet/strip sales are expected to be down this year compared to 2003. The outturn in the first half was lower due to plant refurbishment. We expect the second half output to return to previous values. Taiwanese supply is forecast to be up by almost 10 percent - mainly due to strong export sales to China. This situation may not, however, continue into 2004. Japanese shipments should be up slightly this year. Real consumption in the local area is lacklustre but export demand continues to be firm. Supply in the second half is expected to be lower as the mills decrease output.

Chinese shipments continue to race ahead at a rapid pace. We forecast a 12.5 percent rise in domestic supply. Demand is solid and large percentage increases are anticipated next year also - probably at the expense of imports. With the massive expansion of foreign supply we estimate apparent consumption will have grown by 7 million tonnes in 2003. Some of the imported material is for subsequent conversion into cold rolled and coated sheet and cannot be classified as real consumption of hot rolled sheet/coil.

AMERICAS

US shipments are expected to expand by 2 million tonnes (10 percent) in 2003. This is not due to improving real demand. In fact apparent consumption will be lower because of the substantial decline in imports and significant rise in export volumes. Canadian output will, in contrast, be lower. Loss of exports to the US and rising imports are the main contributing factors. Brazilian supply is forecast to rise this year by in excess of 25 percent. Local demand is better but foreign sales have also expanded, particularly to the Far East.

Average Transaction Prices - Hot Rolled Coil



Europe and Asia: Thickness 2-3mm, width over 1.1 metres.
North America: Thickness 0.08 inches, width over 40 inches.

HOT ROLLED PLATE

HOT ROLLED PLATE									('000 tonnes)
	Actual				Forecast			Year	
	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
PRODUCTION (as finished product)									
EU-15 (E)	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???
Taiwan (E)	???	???	???	???	???	???	???	???	???
Brazil	???	???	???	???	???	???	???	???	???
SHIPMENTS									
USA	???	???	???	???	???	???	???	???	???
Canada	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???
China	???	???	???	???	???	???	???	???	???
IMPORTS									
EU-15	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???
Brazil	???	???	???	???	???	???	???	???	???
USA	???	???	???	???	???	???	???	???	???
Canada	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???
China	???	???	???	???	???	???	???	???	???
EXPORTS									
EU-15	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???
Brazil	???	???	???	???	???	???	???	???	???
USA	???	???	???	???	???	???	???	???	???
Canada	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???
China	???	???	???	???	???	???	???	???	???
APPARENT CONSUMPTION									
EU-15	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???
Brazil	???	???	???	???	???	???	???	???	???
USA	???	???	???	???	???	???	???	???	???
Canada	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???
China	???	???	???	???	???	???	???	???	???

SOURCE: **KOSA, IBS, AISI, CANSTAT, MITI, OFFICIAL STATISTICS AND MEPS ESTIMATES**
TRADE:- ISSB - OFFICIAL STATISTICS
NOTE: E = ESTIMATE BASED ON LATEST AVAILABLE DATA

EUROPEAN UNION

We still expect production in 2003 to be slightly down on the figure recorded in the previous twelve months. Demand remains sluggish. The only bright spot is the line-pipe sector for the energy industry. Overall consumption in the region is likely to drop 4 percent. The mills have benefited from a reduction of third country imports and an improvement in export volumes.

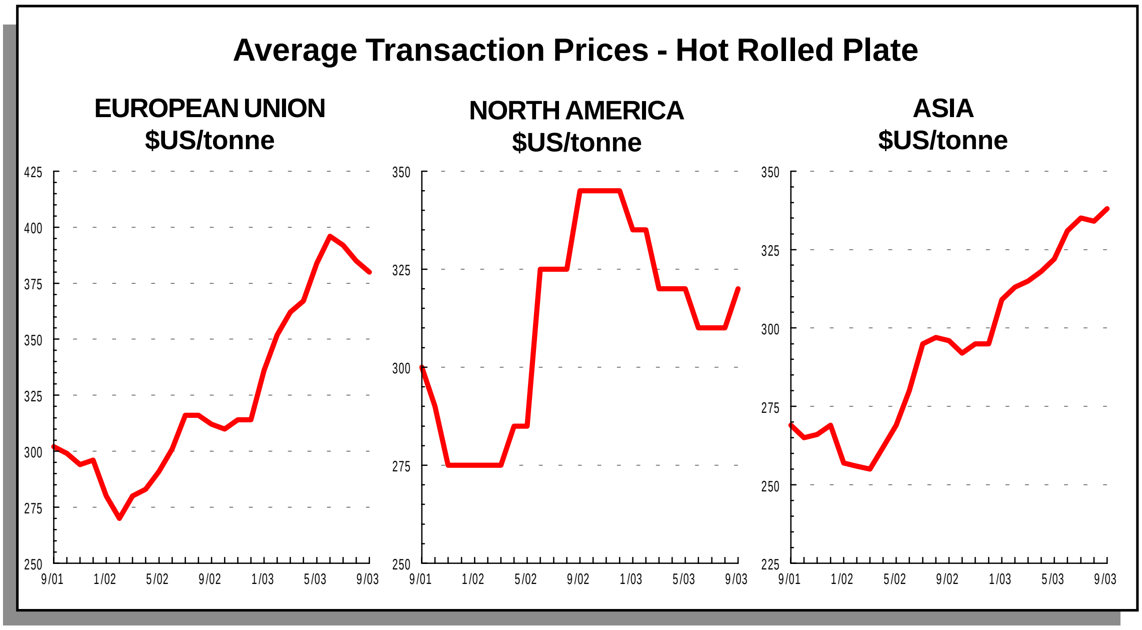
ASIA

South Korean production is forecast to be lower this year. Mill repairs at Posco and Donkuk could result in even lower output than specified in our table. Domestic demand from shipbuilding and construction remains strong. We expect export volumes to decrease during the second half.Taiwanese production will also be down in 2003 as a result of major refurbishment at a key mill. Imports should make up some of the requirement but supply is expected to remain restricted.Japanese shipments will increase by approximately 4 percent this year. The booming shipbuilding sector is using large quantities of plate. There are also signs of improvement in other consuming sectors. This should lead to a significant rise in apparent consumption.

Chinese demand for plate is also extremely firm. The shipbuilding sector is now becoming very important to the global steel industry by consuming larger quantities.We forecast shipments rising by almost 20 percent this year. Much of this improvement is to satisfy the needs of the construction segment. A significant proportion of the foreign plate supplies are destined for shipbuilding.

AMERICAS

US plate shipments are now expected to be little changed in 2003 compared to the previous year. Supply and demand are now more in balance due to a fall off in imports. Furthermore, export volumes have been rising. Apparent consumption will be down because of the decline in the building and civil engineering sectors. Canadian shipments will be significantly lower due to poor domestic demand and fewer orders from the US. Brazilian production in 2003 is likely to be at a similar level to the year earlier figure. Building demand is flat but the mills have made up the shortfall through higher exports.



Europe and Asia: Thickness 15-40mm, width over 2.0 metres.
North America: Thickness 1-1.5 inches, width over 60 inches.

COLD ROLLED SHEET

COLD ROLLED SHEET									('000 tonnes)
	Actual				Forecast			Year	
	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
PRODUCTION (as finished product)									
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TRADE:- ISSB - OFFICIAL STATISTICS
NOTE: E = ESTIMATE BASED ON LATEST AVAILABLE DATA

EUROPEAN UNION

The EU mills are making a concerted effort to reduce output, faced with declining demand from all the main consuming sectors. Consequently, our forecast for the outturn this year has been revised downwards to a figure just below that recorded in 2002. We expect apparent consumption to be 3 percent lower.

ASIA

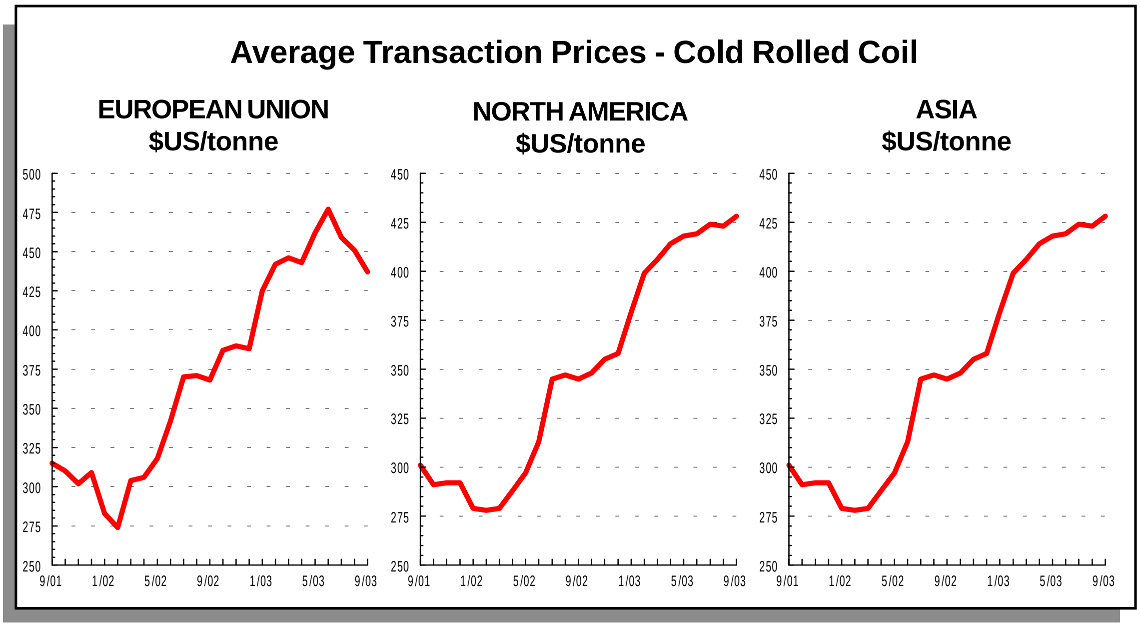
South Korean demand is very strong. Sales of passenger cars and home appliances are firm. The mills, however, will make only a small increase in production in 2003. Export volumes will decrease. Foreign supplies will also expand. The market is also quite tight in Taiwan. Production will be higher this year. Half the extra is for export sales. In Japan steel orders from the automotive and electrical equipment manufacturers have been good. Export sales have also been strong. This will result in a modest rise in shipments despite cutbacks in supply to the general distribution sector in recent months.

Chinese cold rolled shipments are forecast to rise by almost 8 percent this year. This rate of growth is slower than demand in the country. Consequently, import volumes have surged from just below 7 million tonnes in 2002 to an estimated 9.6 million tonnes this year. The producers are, currently, capacity constrained.

AMERICAS

US shipments are expected to fall to below the 12 million mark this year. Consumption has fallen at twice that rate, due to poor demand from vehicle manufacturers and light engineering. The producers have been able to almost double their export tonnage. Moreover, weaker prices have led to a marked reduction in deliveries from foreign mills.

Canadian real demand is also in decline. Shipments have dipped as a result. The reduction has been mitigated by a decrease in the volume of imports. Brazilian output has surged and will end the year more than 10 percent up on 2002. The improvement is the result of a substantial rise in exports.



Europe and Asia: Thickness 1mm, width over 1.3 metres.
North America: Thickness 0.05 inches, width over 40 inches.

ZINC COATED SHEET

ZINC COATED SHEET									('000 tonnes)
	Actual				Forecast			Year	
	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
PRODUCTION (as finished product)									
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SOURCE: **KOSA, IBS, AISI, CANSTAT, MITI, OFFICIAL STATISTICS AND MEPS ESTIMATES**
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EUROPEAN UNION

We forecast a slight increase in production in 2003. This is mainly due to a surge in output during the first half. The mills are reducing supply in an effort to bring it more in line with real demand. A reduction of around 350,000 tonnes is anticipated for last two quarters. Demand from the construction sector is quite weak. The outlook for consumer durables is also bleak.

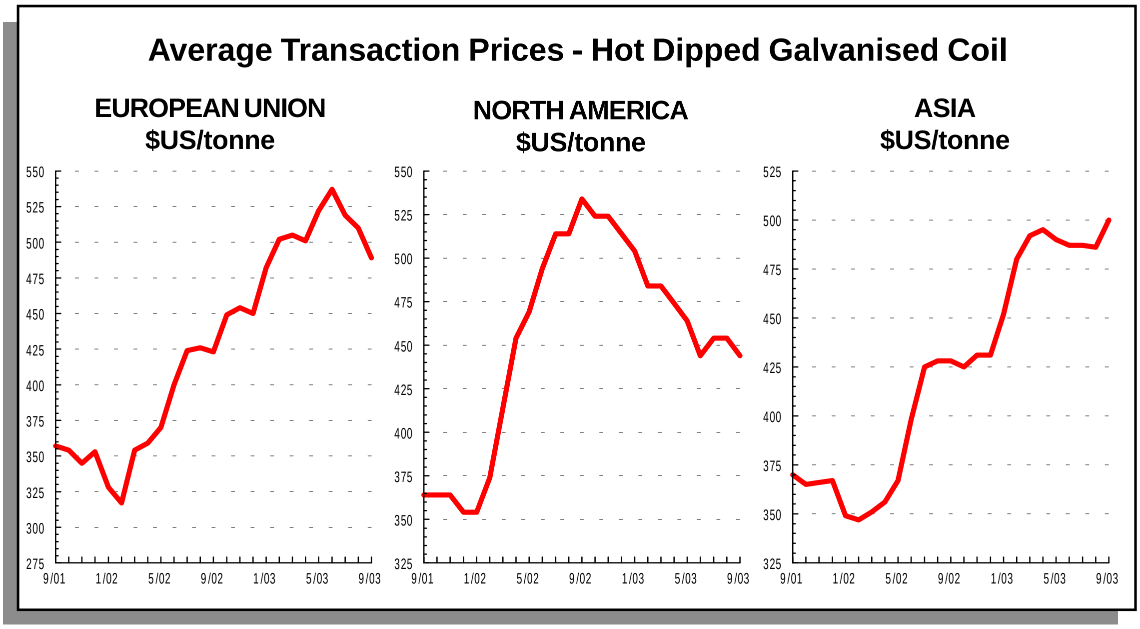
ASIA

Production in South Korea is expected to expand this year by one million tonnes. The automotive sector continues to thrive and demand for the hot dipped material is extremely firm. New capacity has recently come on stream. Surprisingly, import volumes have kept up at previous levels. Export sales have increased as more material becomes available. Taiwanese producers have once again lifted output for sales to China after a brief interruption in the second quarter. Consequently, we forecast production slightly higher this year. Japanese shipments should end the year at a figure almost 0.5 million tonnes higher than in the previous twelve months. Domestic demand is quite strong - fuelling most of the increase. Supplies to the local market are expected to be reduced a little in the second half.

Chinese shipments in 2003 will be broadly similar to the year earlier figure. The mills are capacity constrained but new investments have been made. Domestic demand has risen by approximately 2 million tonnes - all of it will be satisfied by foreign producers this year.

AMERICAS

We estimate US shipments in 2003 at 17.3 million tonnes - 5 percent below the figure recorded in the previous year. Demand is weak. The market is oversupplied. Reduced activity in the second half is inevitable. On the positive side, imports are now less of a threat. Canadian shipments are also lower. Weak domestic demand is the main cause of the reduced output. Brazilian production will be approximately 0.2 million tonnes higher this year. Consumption in the home market is little changed.



Europe and Asia: Thickness 1mm, width over 1.1 metres, standard coating.
North America: Thickness 0.05 inches, width over 40 inches, standard coating.

ELECTRICAL SHEET

ELECTRICAL SHEET									('000 tonnes)
	Actual				Forecast			Year	
	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
PRODUCTION (as finished product)									
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TIN MILL PRODUCTS

TIN MILL PRODUCTS									('000 tonnes)
	Actual				Forecast			Year	
	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
PRODUCTION (as finished product)									
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TRADE:- ISSB - OFFICIAL STATISTICS
NOTE: E = ESTIMATE BASED ON LATEST AVAILABLE DATA

SECTIONS AND BEAMS

SECTIONS AND BEAMS									('000 tonnes)
	Actual				Forecast			Year	
	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
PRODUCTION (as finished product)									
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EUROPEAN UNION

Our forecast for production, this year, has been adjusted downwards after a very low performance in the second quarter. Temporary capacity cuts have been made whilst new plant is installed in Luxembourg. Import volumes have also been reduced as weak market conditions persist. The industrial building sector is particularly poor and is unlikely to pick up in the near term.

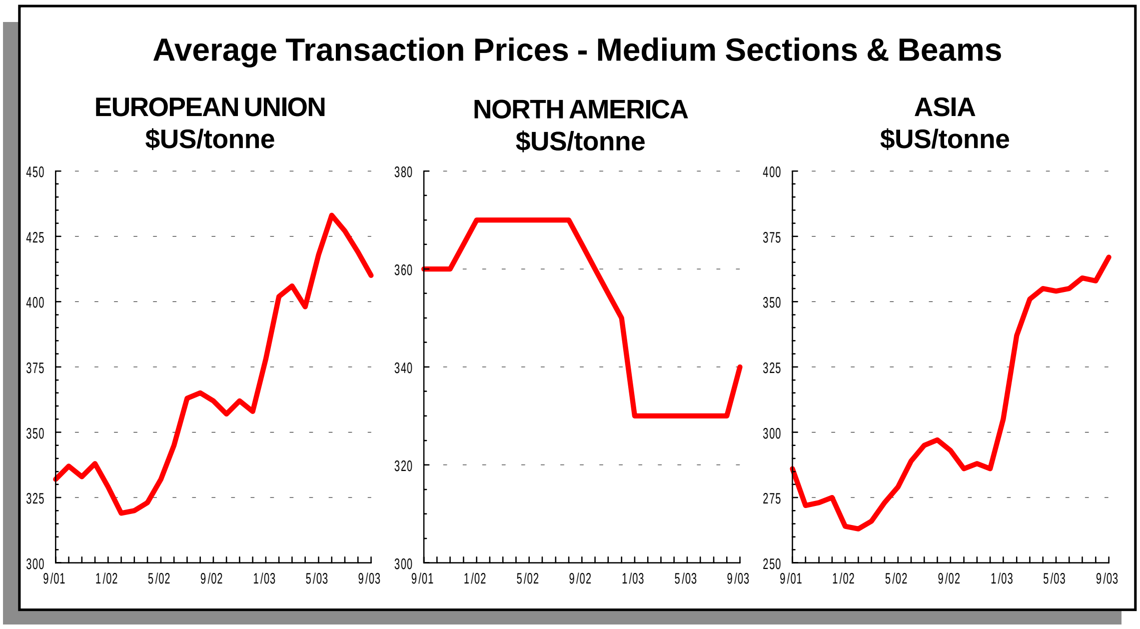
ASIA

South Korean production is slightly up. The mills have been unable to meet recent demand, which is expected to be 10 percent up on the previous year. Imports have grown. However, the mills have curtailed exports in an effort to meet domestic requirements. Taiwanese consumption is quite poor. Output is expected to be lower this year. Exports to China have offset any local market slippage. Japanese demand is also sluggish. The steelmakers have made production cuts to balance supply and customer requirements. The export performance has been maintained.

Chinese construction moves ahead at a rapid pace. The mills have increased output by approximately 20 percent as a consequence. Moreover, imports are expected to be recorded this year at four times the figure in 2002. The result of all this activity is estimated to push up apparent consumption from 2.5 to 3.3 million tonnes over the twelve months to December.

AMERICAS

Demand for structurals is depressed in the US. Activity in the non residential building sector is particularly poor. Despite these negative factors, shipments are forecast to be more than 3 percent higher. This is because import volumes have been kept under control due, in part, to low prices. Canadian consumption is only fair. Export sales to the US are in decline and the import threat has increased. Shipments will be lower. Brazilian production is forecast to rise this year by more than 10 percent, but the total tonnage is quite modest at 360,000 tonnes. Domestic demand is weak but the extra output has been directed to export markets - particularly in the Far East.



Europe and Asia: 240 x 240mm H Beam.
North America: 10 x 10 inches wide flange beam.

WIRE ROD

WIRE ROD									('000 tonnes)
	Actual				Forecast			Year	
	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
PRODUCTION (as finished product)									
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EUROPEAN UNION

We have slightly reduced our forecast for production this year to below 19 million tonnes. Demand is rather flat. The main producer LNM decided to cut back output over the Summer holiday period in an effort to balance supply and demand after a spate of imports in the first half. Exports are likely to be little changed.

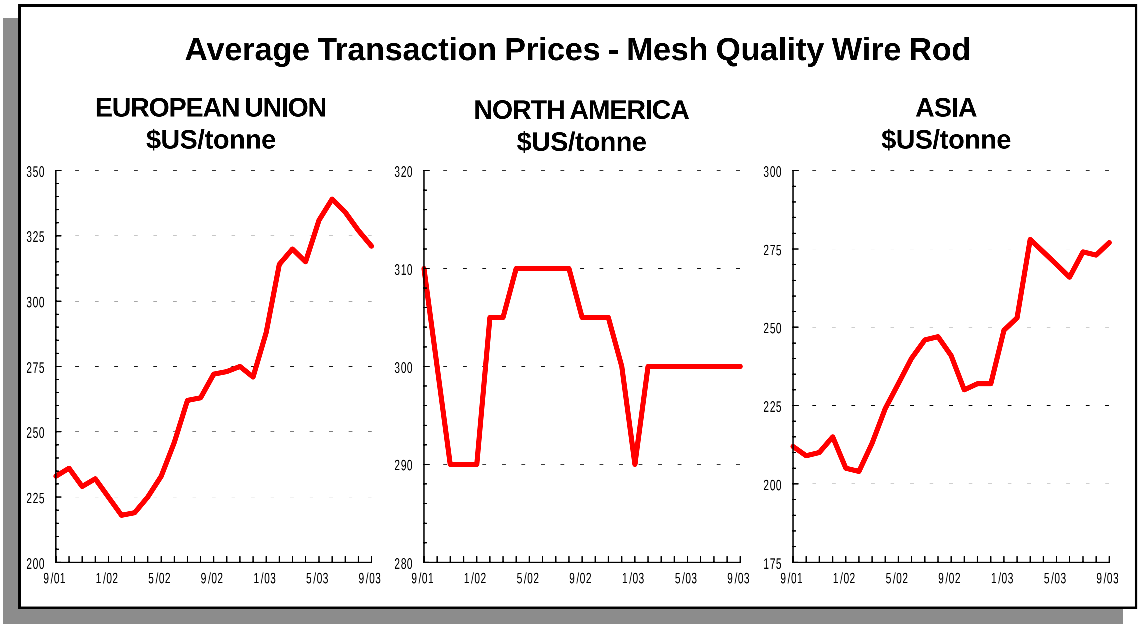
ASIA

South Korean production is expected to remain at the same volume in 2003 as in the previous twelve months. Construction demand is steady. The threat from imports is, however, becoming more real. Exports are holding up. In Taiwan, consumption of recoil is fair. Output is forecast to increase by 250,000 tonnes this year. Despite this, imports are expected to be higher and exports lower. Japanese domestic demand is flat. Shipments from the mills have been curtailed as a result. However, imports have risen in recent months, particularly from China. Moreover, export volumes are unlikely to improve.

Chinese shipments are expected to expand by 0.5 million tonnes this year (4.5 percent). Demand from the local market has been good. Nevertheless, the steelmakers have increased their volume of exports to regional markets. This is starting to create a disturbance in the area and could develop into a major problem in years to come as low cost manufacturing of this basic steel commodity moves into oversupply.

AMERICAS

Demand for wire rod is flat in the US. We expect apparent consumption to decline by one million tonnes this year as construction and infrastructure projects are put on hold. However, shipments in 2003 are likely to remain at the previous year's figure. The reason for this is a significant reduction in the volume of imports. In contrast, Canadian shipments will be lower. The market is poor and sales to the NAFTA region have become increasingly difficult. Moreover, the import threat has increased as traditional suppliers to the US look for other outlets. Brazilian demand is fair. We forecast a rise in production, however. This is not for domestic consumption but for sale in export markets.



Europe and Asia: 8-12mm. diameter.
North America: 0.31-0.5 inches diameter.

REINFORCING BAR

REINFORCING BAR									('000 tonnes)
	Actual				Forecast			Year	
	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
PRODUCTION (as finished product)									
EU-15 (E)	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???
Taiwan (E)	???	???	???	???	???	???	???	???	???
Brazil	???	???	???	???	???	???	???	???	???
SHIPMENTS									
USA	???	???	???	???	???	???	???	???	???
Canada	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???
China	???	???	???	???	???	???	???	???	???
IMPORTS									
EU-15	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???
Brazil	???	???	???	???	???	???	???	???	???
USA	???	???	???	???	???	???	???	???	???
Canada	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???
China	???	???	???	???	???	???	???	???	???
EXPORTS									
EU-15	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???
Brazil	???	???	???	???	???	???	???	???	???
USA	???	???	???	???	???	???	???	???	???
Canada	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???
China	???	???	???	???	???	???	???	???	???
APPARENT CONSUMPTION									
EU-15	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???
Brazil	???	???	???	???	???	???	???	???	???
USA	???	???	???	???	???	???	???	???	???
Canada	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???
China	???	???	???	???	???	???	???	???	???

SOURCE: **KOSA, IBS, AISI, CANSTAT, MITI, OFFICIAL STATISTICS AND MEPS ESTIMATES**
TRADE:- ISSB - OFFICIAL STATISTICS
NOTE: E = ESTIMATE BASED ON LATEST AVAILABLE DATA

EUROPEAN UNION

Construction activity in the region is poor. The mills have been forced to curtail output to avoid oversupply getting out of control. Unfortunately, for the domestic producers, import volumes are unlikely to decrease. Surprisingly, exports appear to be holding up. Apparent consumption this year is likely to be 3.5 percent down on 2002.

ASIA

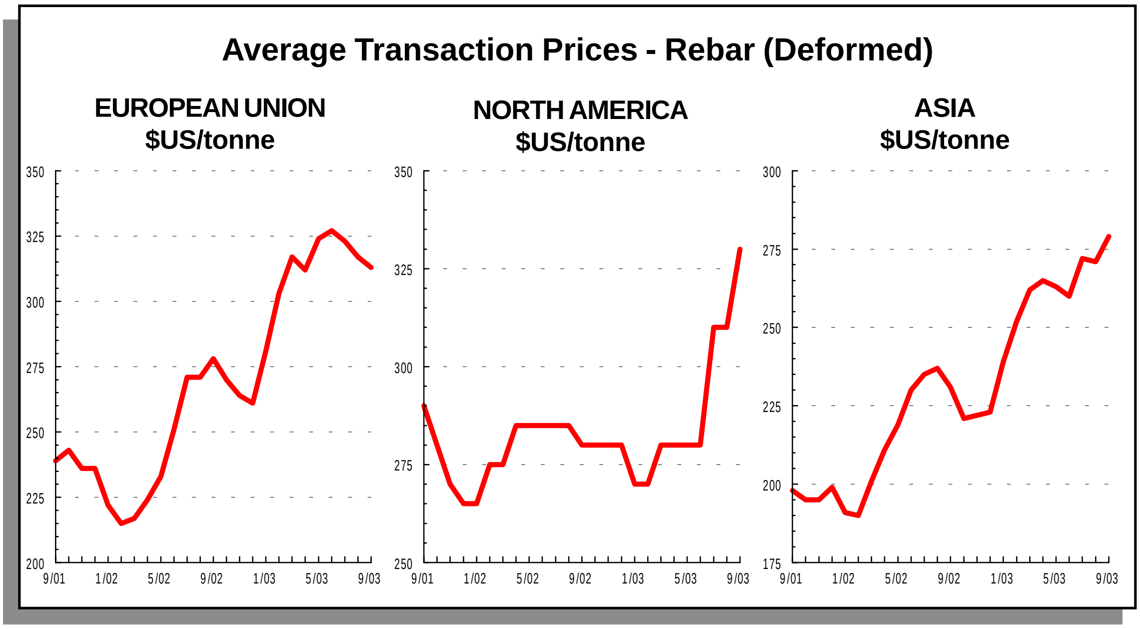
South Korean production is forecast to rise by almost 0.5 million tonnes in 2003 compared to the previous twelve months. Demand has been firm during the first three quarters but may reduce a little in the final period. A 10 percent rise in apparent consumption is anticipated for the full year. At least half of this will be satisfied by increasing import volumes. Construction activity is now picking up in Taiwan, albeit from a low base in the first half. This will not be sufficient to avoid a reduction in output this year. In Japan, steel orders for reinforcing bars are lower this year compared to 2002.

Chinese shipments are forecast to expand this year by an incredible 6 million tonnes (16 percent). All of the supply is to meet domestic demand for all forms of construction projects, including housing, commercial and industrial building. Imports take only a very small percentage of total consumption. Exports are negligible.

AMERICAS

US apparent consumption is forecast to decrease by 0.5 million tonnes in 2003. However, we expect shipments to hold up, this year, at near to the level in the previous twelve months. Supply and demand are reasonably well balanced because import volumes have been brought under control due to the section 201 tariffs. Modest extra export sales have been made.

Canadian demand is also weak but shipments should be stable this year. Import penetration has been significantly reduced. Little change is anticipated for rebar production in Brazil. The market is steady but the benefits of a better economy have not yet worked through into the construction segment The balance of trade with the rest of the world is broadly similar.



Europe and Asia: 16-20mm diameter.
North America: #6 (0.75 inches diameter).

MERCHANT BAR

MERCHANT BAR									('000 tonnes)
	Actual				Forecast			Year	
	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03	Q4/03	Q1/04	2002	2003
PRODUCTION (as finished product)									
EU-15 (E)	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???
Taiwan (E)	???	???	???	???	???	???	???	???	???
Brazil	???	???	???	???	???	???	???	???	???
SHIPMENTS									
USA	???	???	???	???	???	???	???	???	???
Canada	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???
China	???	???	???	???	???	???	???	???	???
IMPORTS									
EU-15	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???
Brazil	???	???	???	???	???	???	???	???	???
USA	???	???	???	???	???	???	???	???	???
Canada	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???
China	???	???	???	???	???	???	???	???	???
EXPORTS									
EU-15	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???
Brazil	???	???	???	???	???	???	???	???	???
USA	???	???	???	???	???	???	???	???	???
Canada	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???
China	???	???	???	???	???	???	???	???	???
APPARENT CONSUMPTION									
EU-15	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???
Brazil	???	???	???	???	???	???	???	???	???
USA	???	???	???	???	???	???	???	???	???
Canada	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???
China	???	???	???	???	???	???	???	???	???

SOURCE: **KOSA, IBS, AISI, CANSTAT, MITI, OFFICIAL STATISTICS AND MEPS ESTIMATES**
TRADE:- ISSB - OFFICIAL STATISTICS
NOTE: E = ESTIMATE BASED ON LATEST AVAILABLE DATA

EUROPEAN UNION

The market is not particularly exciting at the moment. Production cuts by the mills should leave output marginally down in 2003 relative to the previous year. The performance of this segment was adversely affected during the first half by a plethora of imports into the region from third countries. The impact has, however, softened a little in the second half.

ASIA

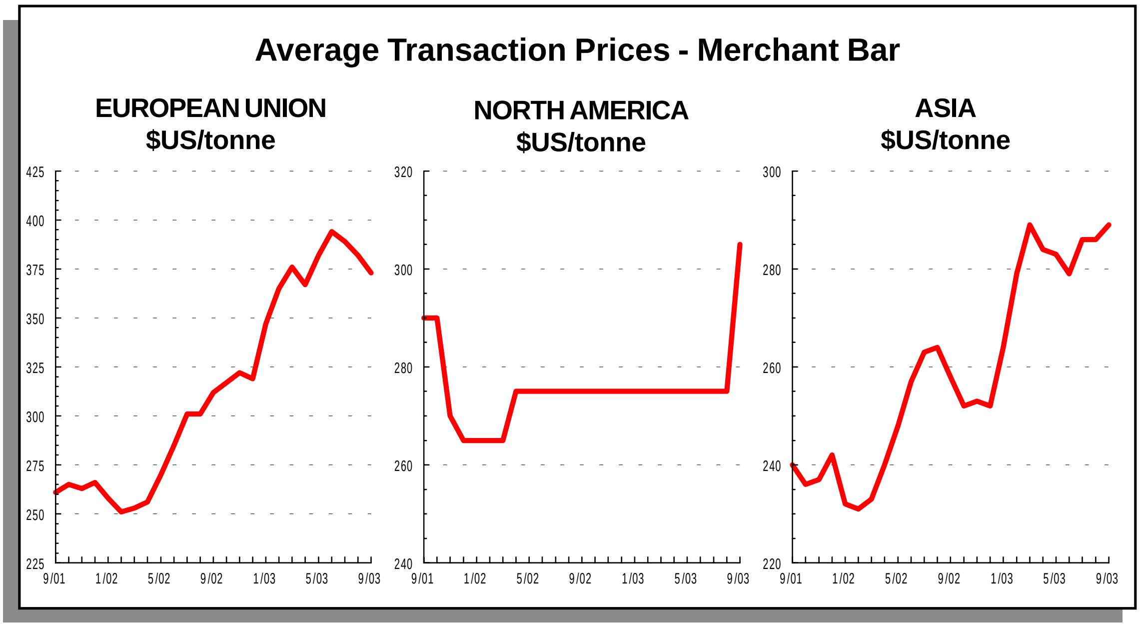
South Korean demand is fair. Production, however, has fallen. The gap has been filled by a higher volume of imports, mainly from regional suppliers. In contrast, Taiwanese mills are expected to increase output this year. Most of the extra is required to meet higher consumption but there are fears of oversupply developing. Japanese shipments are forecast to decline by 600,000 tonnes (4 percent) this year. Demand is poor, particularly for light sections and rebars for the construction segment. The threat from imports is minimal. The mills have pushed up sales to export destinations to partially offset the fall in domestic consumption.

Chinese shipments are expected to be stable. Most of the construction demand has been satisfied by rebars and wire rod for mesh. More trade has developed across the region in this product category. Both imports and exports are higher.

AMERICAS

Sales in the US are flat. The domestic mills are expected to maintain shipments in 2003 at a similar level to the figure recorded a year earlier. The volume of imports has been held in check over the past twelve months. Exports are unchanged.

Canadian shipments have been curtailed due to weak market conditions. The import threat should now be kept under control but export markets are becoming much more difficult to penetrate, particularly in the US. As in all the other long products categories, no improvement in consumption is anticipated this year in Brazil. In fact, a small decrease is expected. The steelmakers, however, should be able to hold the 2003 output at near the previous year's outturn due to increased exports.



Europe and Asia: 50 x 50mm x 6mm equal angle.
North America: 2 x 2 inches x 0.25 inches equal angle.

RAW MATERIALS

UNITED STATES

US scrap prices surged by almost 25 percent during the third quarter of this year. This was partly the result of the continuing strength of the overseas market and a tightening of supply domestically. Steel mills in some US regions were paying as much as $US160 per tonne, for shredded scrap in mid September. Exports continued to flourish. Prices for shredded and No 1 heavy melting scrap grades were between $US180 and $US200 per tonne delivered to Asian destinations.

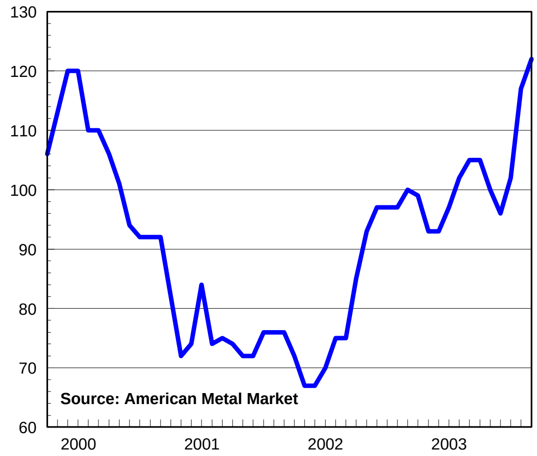
JAPAN

The recent decline in Japanese ferrous scrap prices started to move into reverse at the beginning of the third quarter and continued rising throughout the period. By month nine, figures for H2 scrap, in the Kanto region, had reached ¥16,800 per tonne. Business in September was also strong for the Tokyo based electric furnace steelmakers. Grade H2 material at these mills was fetching ¥15,500 to ¥16,800 per tonne and is expected to increase further as a result of higher offshore activity.

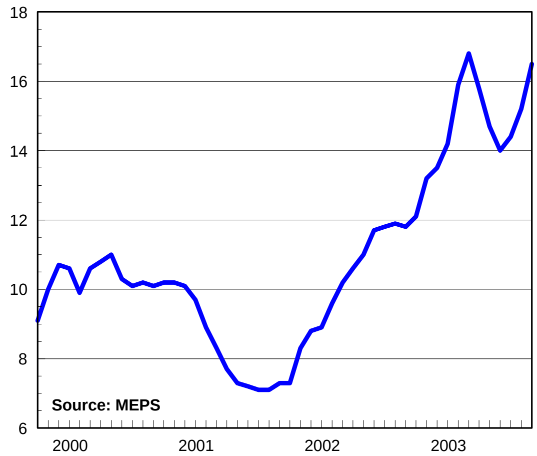
EUROPE

EU Ferrous scrap prices went up in the third quarter, reversing the trend seen in April to June. Surging demand from the deep-sea markets forced European consumers to concede large increases. Demand for scrap in the UK went up in August as Celsa and Alphasteel started to ramp up production. UK scrap is in very short supply and demand from China, India and Turkey has been taking capacity out of the market. Intake from German mills has been normal. However, very tight supply and substantial overseas requirements have forced prices up. In the Ruhr region, buying figures for new production scrap (delivered to the yards) increased by up to €30 per tonne.

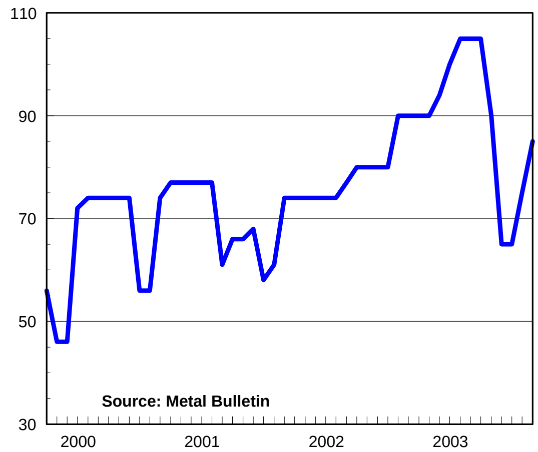
USA/Chicago - No.1 Heavy Melting - $/Ton



Japan/Osaka - Special Grade H2 - '000 YEN/Tonne



Europe - (Germany-North) - Old No.1 - €/Tonne



COMPANY PROFILE

WUHAN IRON & STEEL

The Wuhan Iron & Steel Group Corporation, WISCO, was the first integrated iron and steel complex to be set up after the founding of the People's Republic of China. It commenced operation on September 13, 1958 and is located on the south bank of the Changjiang River in the eastern part of Wuhan. The plant covers an area of 16.5 sq kilometres and has an overall iron and steel capacity of 7 million tonnes per year.

Wuhan is an important steel sheet and plate producer and has a complete range of production facilities from mining through to steel products. It is the fourth largest steelmaker in China.

By the mid 1990's the company began to invest in more modern steelmaking equipment. The No 3 steel plant commenced operations in August 1996. This was followed by the No 1 steel plant, which went into operation in 1998.Open hearth units were replaced with BOF's, realising complete oxygen steelmaking and full continuous casting.

The rolling equipment consists of a 1700mm hot strip mill and a high speed twin strand, 44 stand wire rod mill, which was installed in 1996. WISCO's principal products include more than 200 grades of hot rolled coil and strip, cold rolled sheet and coil, hot-dip galvanized sheet, electrolytic tinned sheet, cold rolled silicon steel sheet, colour coated sheet, section steel, high speed wire/rod and medium plate etc. The company also produces by-products such as coke, refractory materials and chemicals.

The organisation boast the largest privately owned port along the Yangtze River and is located close to Wuhan City. Most of the company's raw materials and finished products (around 36 million tonnes per annum) are handled in the port. It has 9 wharfs and 5 stockyards.

The Coking Co Ltd of WISCO, has 8 coke ovens with an annual capacity of 3.8 million tonnes of coke and 200,000 tonnes of chemical products.

The Sintering plant furnishes the blast furnaces with sinter charge. It has 10 sinter strands with a combined annual design capacity of almost 11 million tonnes.

The Ironmaking plant has 5 blast furnaces. It produces pig iron for steelmaking and casting in WISCO. The facility has been updated to modern standards. It is one of China's major pig iron producers and has an annual production capacity of 7.0 million tonnes.

The company has three steelmaking units.

The No 1 Steelmaking Plant has steel producing and casting facilities. These incorporate top and bottom blowing, hot metal desulphurisation, and secondary refining. It is set up with continuous bloom casting equipment and produces material for profile steel and wire rod manufacture.

The No 2 Steelmaking Plant was the first plant in China to have 100 percent continuous casting. It incorporates hot metal desulphurisation, has three 90 tonne top and bottom blowing converters and four continuous casters.

The No 3 Steelmaking Plant is a large modern facility, which went into operation in 1996. The facility has two 250 tonnes top and bottom blowing converters and two twin strand slab casters. It is equipped with hot metal pre-treatment apparatus and a ladle heating furnace. It produces high value added steel for use in the manufacture of automobiles, TV's and pipelines.

The rolling facilities include a blooming mill, which began operating in 1960. It has 12 soaking pits and one 1150mm, two-high reversing mill.

The heavy sections mill is principally a structural shapes and high speed wire rod facility. It also produces heavy rails.

The plate mill began operating in 1966 and was upgraded in 1999. During the past 33 years, the mill has produced over 14 million tonnes of plates in various grades for Chinese economic and defence construction. The grades produced include - structural steel for shipbuilding, bridges, boilers and pressure vessels.

The hot strip mill went into production towards the end of 1978. It is one of the largest sheet and strip processing facilities in China. The products from the mill are widely used in the machinery and auto industry as well as for construction and shipbuilding.

WUHAN STEEL PROCESSING

Wuhan Steel Processing Company Ltd., was set up with the Wuhan Iron & Steel Group late in 1977. In 1999 it was listed on the Shanghai Stock Exchange. The main products include cold rolled sheet, galvanized sheet, tinplate, colour coated sheet and silicon sheet.

The Silicon Steel Plant of Wuhan Iron & Steel Processing Co Ltd., is the only mill in China which specializes in producing cold rolled oriented silicon steel and high grade non-oriented silicon steel. The first phase expansion was completed in 1997 and lifted annual capacity from 70,000 to 265,000 tonnes. In a second stage of development, annual capacity was lifted to 400,000 tonnes.

The Cold Rolling Plant of Wuhan Iron & Steel Co Ltd., started up in 1978. The processing facilities introduced consisted of 16 lines including a 5-stand tandem mill, which at that time was the first in China. The main products include - cold rolled coils and sheets, extra deep drawn sheets for auto bodies and continuously hot dipped galvanized coils.

THE FUTURE

The company recently installed a new 4.5 million tonne per year hot strip mill, which will go into commercial production before the end of 2003. The mill, which was supplied by SMS Demag, will lift annual capacity of hot strip to 8.0 million tonnes.

The company has also built a new slab caster at the No 3 Steelmaking Plant, which will have a capacity in the region of 2.5/3.0 million tonnes per year. It is currently in the trial production phase. When it is up and running, it will initially be used to produce slab to stock ready for the commercial start up of the new hot strip mill. Total annual capacity at the No 3 shop will be lifted to around 6.0 million tonnes. The maximum steel output from the existing two converters is only 4.7 million tonnes.

The cold rolling mill at Wuhan Steel Processing is being modernised. It was shut down at the end of August for a two month refurbishment. As a result, annual capacity will be increased by several hundred thousand tonnes.

Wuhan Steel Processing’s main priority over the next few years will be centred on installing a second cold rolling mill. To this end, a feasibility study is currently being carried out. It is envisaged that the capacity of a future mill will be in the order of 2.0 million tonnes per year.

Wuhan Steel Processing is China’s leading producer of silicon sheet. It can produce a total of 400,000 tonnes - 300,000 of non-oriented and 100,000 of oriented. Plans are under way to add a second line with a capacity of 460,000 tonnes.

IRON AND STEELMAKING

Product	Location	Technical Summary	Annual Capacity (Million tonnes)
Coke	Wuhan	8 x coke ovens	3.80
Sinter	"	10 x sinter strands	11.0
Iron	"	5 x blast furnaces	7.00
Steel	"	No 1 BOF steelmaking plant with ladle refining	n/a
Steel	"	No 2 steelmaking plant with 3 x 90t converters	n/a
Steel	"	No 3 steelmaking plant with 2 x 250t converters	3.40

SEMIS

Product	Location	Technical Summary	Annual Capacity (Million tonnes)
Bloom	Wuhan No 1 steel plant	High performance bloom casters	1.70
Bloom	Wuhan	1 x 1150 two-high reversing blooming mill	n/a
Slab	Wuhan No 2 steel plant	4 x continuous slab casters	2.50e
Slab	Wuhan No 3 steel plant	2 x continuous twin-bent-strand slab casters	3.00

FLAT PRODUCTS

Product	Location	Technical Summary	Annual Capacity (Million tonnes)
Plate	Wuhan	1 x plate mill	0.60
Hot strip	"	1 x wide hot strip mill	3.30
Cold strip	WSPC-Wuhan	Cold rolling facility	2.20
Silicon strip	SSP-Wuhan	Cold rolling plant for silicon strip	0.70

COATING FACILITIES

Product	Location	Technical Summary	Annual Capacity (Million tonnes)
HDG	WSPC-Wuhan	1 x hot dip galvanising plant	n/a
Colour coat	“	1 x colour coating facility	n/a
Tinplate	“	1 x electro-tinning plant	n/a

LONG PRODUCTS

Product	Location	Technical Summary	Annual Capacity (Million tonnes)
Sections/ wire rod	Wuhan	1 x heavy sections/ wire rod mill	0.70

PRODUCTION - CRUDE STEEL - SUMMARY

('000 Tonnes)

	Year				Quarter/Year				
COUNTRY	**1998**	**1999**	**2000**	**2001**	**Q2/01**	**Q3/01**	**Q4/01**	**Q1/02**	**Q2/02**
Austria	5282	5203	5706	5869	1541	1379	1435	1568	1593
Belgium	11427	10932	11636	10763	2608	2761	2433	2836	2826
Denmark	805	746	783	750	199	160	171	175	198
Finland	3948	3958	4095	3937	978	988	1030	1031	1046
France	20127	20198	20979	19343	5329	4615	4414	4850	5287
Germany	44046	42061	46376	44803	11089	10972	10756	10903	11512
Italy	25798	24878	26544	26681	7108	5967	6557	6647	6846
Luxembourg	2478	2592	2571	2725	703	605	711	696	702
Netherlands	6379	6077	5667	6037	1523	1568	1538	1643	1196
Spain	14819	14835	15950	16496	4492	3969	3941	3961	4485
Sweden	5167	5067	5227	5520	1478	1140	1443	1468	1497
United Kingdom	17286	16616	15022	13695	3774	3279	2998	3023	3054
Rest of EU	2370	2282	2491	2143	472	479	571	625	712
EU -15	**159932**	**155445**	**163047**	**158762**	**41294**	**37882**	**37998**	**39426**	**40954**
Turkey	14145	14313	14325	14981	3838	3829	3670	3579	4088
Rest of W.Europe (E)	2903	2240	2821	2904	778	644	699	746	745
OTHER W.EUROPE	**17048**	**16553**	**17146**	**17885**	**4616**	**4473**	**4369**	**4325**	**4833**
Bulgaria	2216	1847	2016	2036	558	505	470	465	470
Czech Republic	6498	5616	6215	6316	1644	1658	1417	1591	1660
Hungary	1816	1813	1851	1954	471	419	529	490	495
Poland	9915	8803	10503	8814	2345	2156	2063	1996	2127
Romania	6394	4320	4768	4931	1225	1284	1183	1255	1418
Slovak Republic	3428	3569	3733	3989	1108	1104	829	899	1160
EAST EUROPE	**30267**	**25968**	**29086**	**28040**	**7351**	**7126**	**6491**	**6696**	**7330**
Kazakhstan	3089	4116	4710	4655	1121	1258	1131	1199	1139
Russia	41786	49759	58337	59129	15157	15150	14589	13918	14496
Ukraine	23461	26757	31293	33110	8498	8418	8036	7861	8686
Rest of Former USSR	2828	2935	3329	3383	871	839	784	671	760
TOTAL Former USSR	**71164**	**83567**	**97669**	**100277**	**25647**	**25665**	**24540**	**23649**	**25081**
Canada	15931	16238	16222	15276	3920	3889	3849	4061	4174
Mexico	14211	15301	15659	13291	3534	3347	3077	2932	3608
USA	97294	96154	101131	90086	23742	22998	20093	21699	22706
Rest of N.America	1109	1061	1119	1181	345	311	223	299	356
NORTH AMERICA	**128545**	**128754**	**134131**	**119834**	**31541**	**30545**	**27242**	**28991**	**30844**
Argentina	4202	3799	4474	4107	1158	986	930	902	1140
Brazil	25762	24999	27765	26720	6371	6377	6863	7051	7085
Chile	1170	1291	1351	1249	345	290	276	259	321
Venezuela	3682	3249	3839	3814	872	994	982	1004	1105
Rest of S. America	1452	1239	1594	1544	389	386	373	327	380
SOUTH AMERICA	**36268**	**34577**	**39023**	**37434**	**9135**	**9033**	**9424**	**9543**	**10031**
Egypt	2869	2626	3277	3799	1005	957	1063	1069	1116
South Africa	7607	7410	8582	8821	2224	2291	2253	2171	2051
Rest of Africa (E)	1983	2127	2259.8	2457	548	591	686	561	651
AFRICA	**12459**	**12163**	**14119**	**15077**	**3777**	**3839**	**4002**	**3801**	**3818**
Iran	5602	6072	6754	6916	1747	1751	1717	1721	1905
Saudi Arabia	2356	2610	3193	3414	770	888	925	931	963
Rest of Middle East (E)	1097	1099	1198.6	1361	309	354	369	367	369
MIDDLE EAST	**9055**	**9781**	**11190**	**11691**	**2826**	**2993**	**3011**	**3019**	**3237**
P.R. China	114090	123643	126957	152124	36721	38257	41851	41341	44304
India	23863	24269	21009	27291	6586	6878	6951	7135	6874
Japan	93548	94195	106564	102867	26376	25826	24808	25055	27287
R.O. Korea	40022	41041	43357	43852	11368	10801	11226	10818	11539
Taiwan	16903	15392	17874	17213	4305	4233	4469	4493	4536
Rest of Asia (E)	14136	9581	11320	9896	2474	2474	2474	2939	2939
ASIA	**302562**	**308121**	**327081**	**353243**	**87830**	**88469**	**91779**	**91781**	**97479**
Australia/New Zealand	**9555**	**8920**	**8844**	**7860**	**1993**	**2052**	**1924**	**1900**	**2112**
WORLD TOTAL	**776854**	**783849**	**841336**	**850103**	**216010**	**212077**	**210780**	**213131**	**225719**

SOURCE: IISI/MEPS (E): Estimate

PRODUCTION - BLAST FURNACE IRON - SUMMARY (‘000 Tonnes)

	Year				Quarter/Year				
COUNRTY	**1998**	**1999**	**2000**	**2001**	**Q2/01**	**Q3/01**	**Q4/01**	**Q1/02**	**Q2/02**
Austria	4085	3913	4318	4414	1147	1064	1070	1115	1206
Belgium	8619	8431	8472	7733	1843	1969	1777	2057	1970
Finland	2920	2955	2983	2852	700	734	743	737	745
France	13897	13854	13920	12298	3503	2888	2674	3242	3449
Germany	30162	27932	30846	29183	7061	7187	7015	7019	7347
Italy	10704	10562	11161	10512	2731	2568	2489	2454	2459
Netherlands	5561	5306	4969	5307	1324	1383	1373	1451	1026
Portugal	387	389	381	82	0	0	0	0	0
Spain	4271	4146	4135	4219	1115	1031	1054	1037	1007
Sweden	3152	3213	3147	3616	951	749	978	953	965
United Kingdom	12542	12399	10825	9863	2749	2372	2138	2124	2120
EU-15	**96300**	**93100**	**95157**	**90079**	**23124**	**21945**	**21311**	**22189**	**22294**
Turkey	5281	5181	5333	5289	1323	1302	1309	1162	1133
Rest of W. Europe (E)	998	287	267	605	177	106	155	134	126
OTHER W. EUROPE	**6279**	**5468**	**5600**	**5894**	**1500**	**1408**	**1464**	**1296**	**1259**
Bulgaria	1390	1121	1220	1157	307	285	280	286	286
Czech Republic	4982	4023	4621	4671	1239	1236	1045	1195	1232
Hungary	1259	1310	1340	1226	280	267	341	323	339
Poland	6178	5234	6491	5440	1497	1302	1269	1258	1331
Romania	4526	3039	2985	3085	767	820	720	640	625
Slovak Republic	2756	2987	3166	3255	913	882	670	725	955
EAST EUROPE	**21091**	**17714**	**19823**	**18834**	**5003**	**4792**	**4325**	**4427**	**4768**
Kazakhstan	2591	3480	4011	3905	933	1053	952	998	946
Russia	34408	40033	44536	44947	11489	11477	11287	11070	11684
Ukraine	20927	22517	24993	26363	6695	6736	6366	6469	6928
TOTAL Former USSR	**57926**	**66030**	**73540**	**75215**	**19117**	**19266**	**18605**	**18537**	**19558**
Canada	8937	8857	8904	8303	2086	2163	2071	2167	2210
Mexico	4523	4823	4883	4375	1188	1027	1031	749	1064
USA	48245	46389	47709	42104	11434	10967	9040	9450	9685
NORTH AMERICA	**61705**	**60069**	**61496**	**54782**	**14708**	**14157**	**12142**	**12366**	**12959**
Argentina	2150	1984	2183	1917	537	407	447	450	564
Brazil	25147	24549	27680	27391	6574	6536	7025	6930	7113
Chile	993	1030	1025	926	256	227	194	185	244
Rest of S.America (E)	609	510	693	709	167	185	182	156	163
SOUTH AMERICA	**28899**	**28073**	**31581**	**30943**	**7534**	**7355**	**7848**	**7721**	**8084**
South Africa	5649	4544	4574	5819	1472	1479	1467	1419	1264
Rest of Africa	2140	1962	2217	2847	714	687	718	497	500
AFRICA	**7789**	**6506**	**6791**	**8666**	**2186**	**2166**	**2185**	**1916**	**1764**
MIDDLE EAST IRAN (E)	**2118**	**2112**	**2202**	**2183**	**554**	**555**	**560**	**525**	**579**
P.R.China	118054	125044	130534	145014	36346	37290	38024	39253	42034
India	19376	20139	21321	21875	5112	5617	5752	5902	5785
Japan	74980	74521	81071	78835	19960	20415	19198	19395	20242
R.O.Korea	23299	23329	24938	25899	6500	6487	6508	6385	6456
Taiwan	9375	8890	9618	10001	2469	2539	2536	2541	2533
Rest of Asia (E)	1400	1249	1249	1248	312	312	312	352	325
ASIA	**246484**	**253172**	**268731**	**282872**	**70699**	**72660**	**72330**	**73828**	**77375**
Australia/New Zealand	**8333**	**7664**	**7559**	**6663**	**1710**	**1703**	**1633**	**1554**	**1711**
WORLD TOTAL	**536924**	**539908**	**572480**	**576131**	**146135**	**146007**	**142403**	**144359**	**150351**

SOURCE: IISI/MEPS (E): Estimate

DEFINITIONS

HOT ROLLED STRIP:
Hot rolled wide and narrow strip/sheet, for sale by the producers, destined for direct use or further processing outside the factory of origin.

HOT ROLLED PLATE:
Products of thickness >3mm, and width >600mm in cut lengths.

COLD ROLLED SHEETS: (Excluding Electrical Sheet)
Cold rolled products of thickness <3mm and width >500mm, in cut lengths or coils, destined for direct use in original form (i.e. not for use as substrate for further coating inside the factory of origin).

ZINC COATED SHEETS:
Sheets of width >500mm in cut lengths or coils, having a hot or cold rolled substrate base with the application on one or both sides with a zinc coating.

ELECTRICAL SHEET:
Silicon electrical grades, cold rolled as non oriented and grain oriented sheets.

TIN MILL PRODUCTS:
Cold rolled sheet from a tin mill for subsequent coating with tin or chromium oxide.

SECTIONS AND BEAMS:
Medium and heavy structural sections and wide flanged beams >80mm wide. Also includes sheet piling.

WIRE ROD:
Hot rolled wire rod, wound in irregularly sized coils - including concrete reinforcing bars sold in coils.

CONCRETE REINFORCING BARS:
In sizes >5mm having a uniform surface, crenellated or ribbed and intended for reinforcement of concrete, including straightened wire rod. Reinforcing bars in coils are not included.

MERCHANT BARS:
Small structural sections <80mm and bars in all sizes. Statistical data for Japan and South Korea includes reinforcing bars.

SHIPMENTS AND CONSUMPTION:
US and Canada - statistics relate to carbon grades. Japan and China - statistics relate to ordinary steels.

PRODUCTION:
EU and Brazil statistics include all grades of steel. South Korean and Taiwanese data relates to ordinary steels.

TRADE:
Includes all trade with third countries.

NEGOTIATED AVERAGE TRANSACTION PRICES:
Regional prices are derived from an average of country data collected in an area - ex mill for forward delivery to their domestic/local markets. All prices converted to US dollars at the exchange rate at the start of the relevant month.