

## Brazil Leads Latin America in Raw Steel Production

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Brazilian steel exports from January to May grew 31.3% this year, compared with the same period last year. Shipments totaled US\$ 2.4 billion, as against US\$ 1.8 billion in the first five months of 2004.

These data were announced Tuesday, June 21, by the IBS (Instituto Brasileiro de Siderurgia - Brazilian Steel Institute).

"The pace of raw steel production in May indicates operation at full capacity (97%), sustaining the performance observed since the beginning of the year," the IBS's Preliminary Statistical Brief informs.

According to the Institute, despite the increase in revenues, the mills reported a 10.9% drop in export volume through May, in consequence of the increased quantity of flat steel products supplied to the domestic market.

Domestic sales of flat steel rose 6.9% during the period, while international sales declined 22.4%. According to the IBS, "this increased supply (to the domestic market) was the result of purchase orders from large consumer sectors for a demand that did not materialize."

Brazilian steel production in May amounted to 2.742 million tons, 0.2% more than in May, 2004. Over the January-May period, raw steel production came to 13.444 million tons, 0.5% more than for the same period last year.

The IBS data referring to the first 4 months of the year show that Brazil continues to lead Latin America in raw steel production, with a total of 10.701 million tons, followed by Mexico (5.557 million tons) and Argentina (1.758 million tons).

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