

Brazilian Steel Production Is Down 10% This Year

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Brazil produced 2.5 million tons of raw steel in May, 3.3% more than in April but 9% less than in May, 2005. The figures were announced yesterday, June 19, by the Brazilian Steel Institute (IBS), which attributed the decline to the shutdown of a furnace belonging to the National Steel Company in Volta Redonda, in the Rio de Janeiro state. The furnace has been idle since February.

Domestic sales amounted to 1.52 million tons, 13.7% more than in May of last year. Sales of laminated products grew 12.5% to 1.45 million tons.

According to the IBS, this increase reflects greater demand on the part of consumers in the automotive, industrial construction, and capital goods sectors.

Exports totaled 813 thousand tons, 7.9% less than in May, 2005. The IBS deems that priority was given to the domestic market.

Brazil continues to be Latin America's number one steel manufacturer. Between January and April of this year the country produced 9.6 million tons of raw steel. The state of Minas Gerais accounted for 40% of this total.

In the first four months of this year, Brazilian steel production is down 10.2% in comparison with the same period in 2005. China is the world's biggest steel producer, with an output of 126.2 million tons in the first four months of 2006.

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