

## Brazil Invests in Steel Production Getting Ready for Global Boom

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The Brazilian capacity for steel production should reach 50 million tons per year in 2010. The forecast was made by the president of the Brazilian Steel Institute (IBS), Luiz André Rico Vicente, in a conference on the industry last Tuesday, November 22, in São Paulo.

Brazil currently produces 34 million tons of steel per year. Production should increase due to forecasted investment in new units. The sector is already undergoing a modernization and expansion process.

Between the years of 1993 and 2005, the Brazilian steel industry invested US\$ 15.9 billion according to data from the IBS press office. Another US\$ 11.2 billion should be invested until 2010, Rico Vicente estimates.

According to the president of the institute, Brazil is getting ready to cater to new demands that might stem from a rising global economy.

Presently, approximately 40% of the Brazilian domestic steel production is shipped abroad. "Brazilian companies' exports are increasing, as are investments in foreign factories," Vicente claimed in a press release published by the IBS.

The ten first months of this year saw a reduction in domestic steel production, caused by an interruption in the operation of a blast furnace at the Brazilian National Steel Company (CSN) in the initial months of the year.

Production reached 25.56 million tons between January and October, compared with 26.32 million tons for the same period last year. It was a 2.9% reduction. In October, 2.79 million tons were produced, a 4.2% increase over the same month in 2005.

In October, the industrial segment whose production increased the most, by 28.4%, was the ingots, blocks and dowels segment, aimed at the civil construction industry. The steel plate segment, on the other hand, fell by 22.8% this month, its biggest reduction this year.

Domestic sales of steel plates saw a 23% increase in October, totaling 7.8% during the year. Sales of sheet steel, aimed at the automobile, civil construction and pipeline segments, saw a 30.5% increase.

### Small Companies

In another economic front, the number of formal micro and small companies in Brazil grew 22% between 2000 and 2004. The increase took place mainly in the North and Midwest of the country, where there has also been population growth.

The figures are included in the study "Where are the Micro and Small Companies in Brazil," which the São Paulo branch of the Brazilian Micro and Small Business Support Service (Sebrae) disclosed today.

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