

Brazil's Metallurgy Giant Usiminas Ships Overseas 33% of Its Production

Contributed by Alexandre Rocha
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The Usiminas metallurgy group turned 33% of its 2006 steel plate and sheet production to the foreign market, according to the marketing director for the company, Sérgio Leite.

The main markets served by the company, which is Latin America's largest metallurgic complex for steel plate production, are the United States, Mexico, Germany, Canada, Thailand, India, Argentina, Spain, Chile and Colombia.

In the Middle East, the company has exported directly to Morocco, Iran and Pakistan. Of the three, only Morocco is an Arab country. "Usiminas/Cosipa follows closely the market opportunities in every region of the world, but our competitive advantages are more evident in the Americas, which can be observed from the share of Nafta and South American countries in our total exports," Leite told ANBA via email.

Nevertheless, he stressed that the company is present in the Arab world in an indirect manner, through Brazilian products that use steel as their raw material, especially pipes for construction of gas and oil pipelines, and vehicles.

For the sake of illustration, the group produced 6.6 million tons of raw steel during the first nine months this year. Overall, according to the Iron and Steel Sector Association (IBS), Brazil produced 22.8 million tons in the period.

The company produced 5.9 million tons of steel plates. Total sales, including domestic and foreign market sales, amounted to 6 million tons up until September, 2 million tons of which were exported, 35% more than during the same period last year.

For next year, the company forecasts an 8% increase in demand for steel plates, mostly due to internal factors - such as high credit volumes in the country, interest rate reduction and stable inflation - which should encourage consumption. Increases are also expected in public and private investments in petroleum, natural gas, mining, highways, and metallurgy itself.

According to the group's press office, Usiminas invested 365 million reais (US\$ 169.2 million) in maintenance, technological updating and environmental protection equipment for its plants up until September this year. Until 2010, the group forecasts investments worth 4 billion reais (US\$ 1.8 billion) in its business.

The conglomerate's business has yielded revenues of 9.1 billion reais (US\$ 4.2 billion) from January until September this year, and a net profit of 1.8 billion reais (US\$ 834.4 billion). The Usiminas group controls or shares capital in 16 companies in the sectors of metallurgy, logistics, stamping, capital goods, distribution and services. These companies employ 15,000 people.

Among others, Usiminas controls Usina Siderúrgica Intendente Câmara, in the southeastern Brazilian state of Minas Gerais, and Companhia Siderúrgica Paulista (Cosipa).

The group is active in various sectors, such as construction of train wagons, through Usiminas Mecânica, and manufacturing of truck bodies, through Usiparts.

In partnership with the Argentine group Techint, Usiminas also participates in the Ternium group, which controls metallurgy companies in Argentina, Venezuela and Mexico.

These companies employ more than 18,000 people. Established as a state-owned company in the 1950s, Usiminas was privatized in the 1990s.

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