

OECD STEEL COMMITTEE MEETING

DEVELOPMENTS IN TURKISH STEEL INDUSTRY

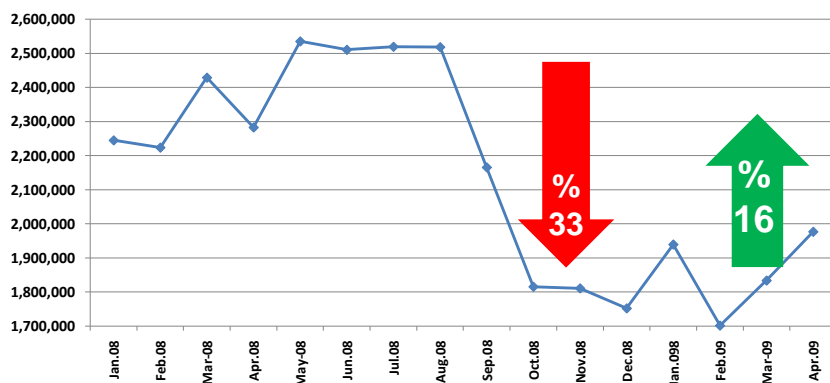
Dr. Veysel Yayan
Secretary General
Turkish Iron and Steel Producers Association

8-9 June 2009
Paris

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Production

Turkey's Crude Steel Production by Months (tons)

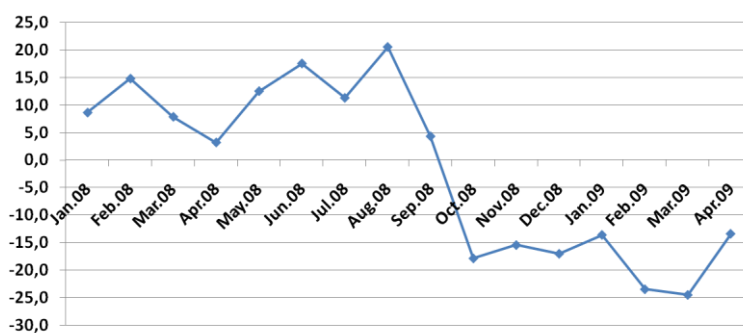


'000 tons	Jan	Feb	Mar	Apr	May	Jun.	Jul.	Aug.	Sep	Oct	Nov	Dec
2008	2.245	2.224	2.429	2.283	2.535	2.510	2.519	2.518	2.165	1.815	1.811	1.752
2009	1.939	1.701	1.834	1.977								

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Production

Monthly Change in Turkey's Crude Steel Production (% y-o-y)



%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008	8,6	14,8	7,8	3,2	12,5	17,5	11,3	20,5	4,3	-17,9	-15,5	-17,0
2009	-13,6	-23,5	-24,5	-13,4								

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World Crude Steel Production 2008 ('000 tons)

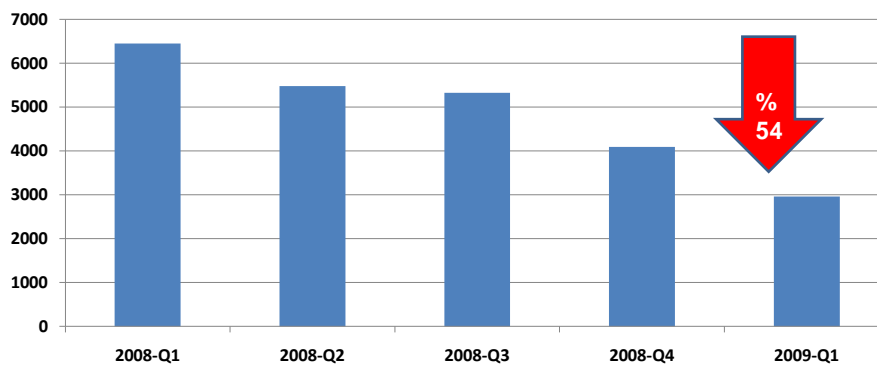
	2008	2007	% change (08/07)
1.China	500.488	494.899	1,1
2.Japan	118.738	120.203	-1,2
3.USA	91.350	98.181	-7,0
4.Russia	68.510	72.220	-5,1
5.India	55.050	53.080	3,7
6.S. Korea	53.488	51.436	4,0
7.F. Germany	45.833	48.550	-5,6
8.Ukraine	37.107	42.830	-13,4
9.Brazil	33.713	33.782	-0,2
10.Italy	30.576	31.546	-3,1
11.TURKEY	26.806	25.754	4,1
12.Taiwan	20.210	20.903	-3,3
13.Spain	18.803	18.999	-1,0
14.France	17.879	19.250	-7,1
15.Mexico	17.230	17.564	-1,9
16.Canada	15.130	15.572	-2,8
17.England	13.520	14.317	-5,6
18.Belgium	10.675	10.692	-0,2
19.Iran	9.964	10.051	-0,9
20.Poland	9.728	10.632	-8,5
TOTAL	1.304.838	1.328.221	-1,8

World Crude Steel Production, Jan-Apr 09 ('000 tons)

	2009	2008	% change
1. China	170.669	170.567	0,1
2. Japan	23.319	40.978	-43,1
3. India	18.245	18.537	-1,6
4. Russia	17.342	25.310	-31,5
5. USA	15.884	33.842	-53,1
6. S. Korea	14.613	18.138	-19,4
7. F. Almanya	9.155	16.076	-43,0
8. Germany	9.120	14.685	-37,9
9. TURKEY	7.451	9.180	-18,8
10. Brasil	6.730	11.541	-41,7
11. Italy	6.533	11.259	-42,0
12. Taiwan	4.320	7.342	-41,2
13. Spain	4.249	6.801	-37,5
14. Mexico	4.203	5.828	-27,9
15. Iran	3.813	3.378	12,9
16. France	3.755	6.531	-42,5
17. Canada	3.202	5.603	-42,9
18. England	2.736	4.864	-43,7
19. S. Africa	2.202	2.964	-25,7
20. Poland	1.908	3.546	-46,2
Total	354.063	457.800	-22,7

Consumption ('000 tons)

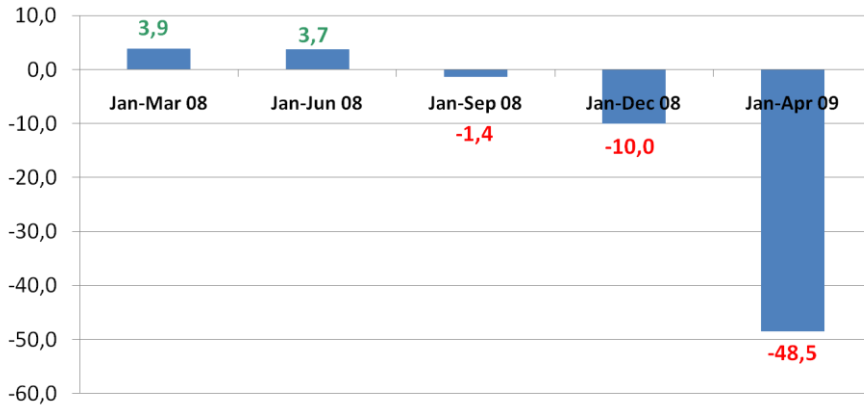
Turkey's Finished Steel Consumption (000 tons)



	2008-Q1	2008-Q2	2008-Q3	2008-Q4	2009-Q1
Long	2.855	2.214	2.250	2.351	1.744
Flat	3.240	2.882	2.762	1.549	1.085
Special	354	382	312	188	133
Total	6.449	5.478	5.324	4.088	2.962

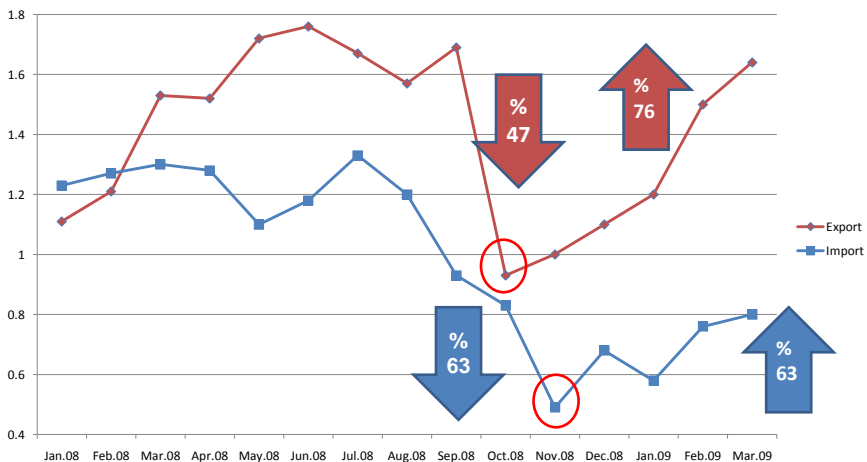
Consumption

Turkey's Finished Steel Consumption Trend (% y-o-y)



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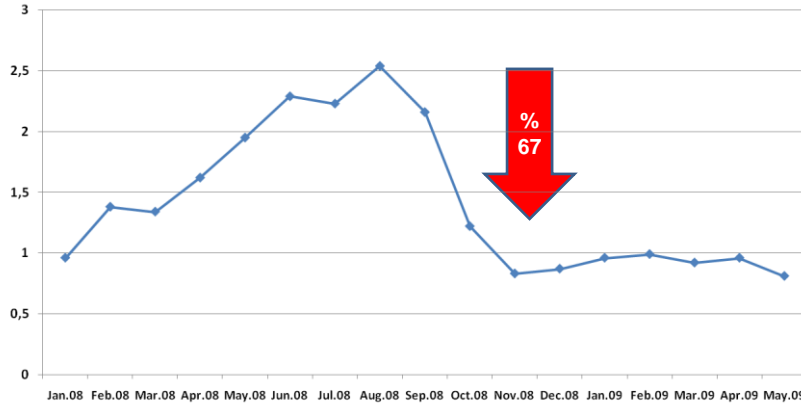
Foreign Trade (million tons)



	Jan.08	Feb.08	Mar.08	Apr.08	May.08	Jun.08	Jul.08	Aug.08	Sep.08	Oct.08	Nov.08	Dec.08	Jan.09	Feb.09	Mar.09
Export	1,11	1,21	1,53	1,52	1,72	1,76	1,67	1,57	1,69	0,93	1	1,1	1,2	1,5	1,64
Import	1,23	1,27	1,3	1,28	1,1	1,18	1,33	1,2	0,93	0,83	0,49	0,68	0,58	0,76	0,8

Exports

Turkey's Total Steel Exports (Billion USD)



Jan.08	Feb.08	Mar.08	Apr.08	May.08	Jun.08	Jul.08	Aug.08	Sep.08	Oct.08	Nov.08	Dec.08	Jan.09	Feb.09	Mar.09	Apr.09	May.09
0,96	1,38	1,34	1,62	1,95	2,29	2,23	2,54	2,16	1,22	0,83	0,87	0,96	0,99	0,92	0,96	0,81

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Market Situation

- Collapsed demand in domestic and export markets
- Instable market conditions
- Comperatively higher raw material costs
- Declining steel prices and profit margins
- Rapidly changing market conditions

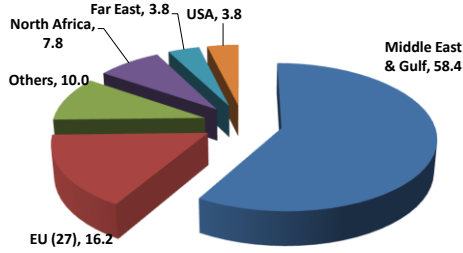


UNPREDICTABLE FUTURE

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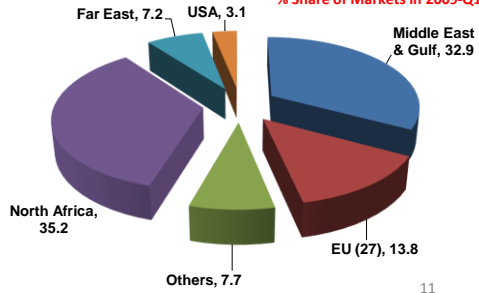
Export Markets

Share of Export Markets in 2008 (%)



Exports	2008	% share	2009-Q1	% share
Middle East & Gulf	9.820.957	58,4	1.429.394	32,9
EU (27)	2.715.923	16,2	601.409	13,8
North Africa	1.309.867	7,8	1.532.381	35,2
Far East	642.789	3,8	312.615	7,2
USA	639.395	3,8	135.045	3,1
Others	1.673.860	10,0	336.494	7,7
TOTAL	16.802.791	100,0	4.347.338	100

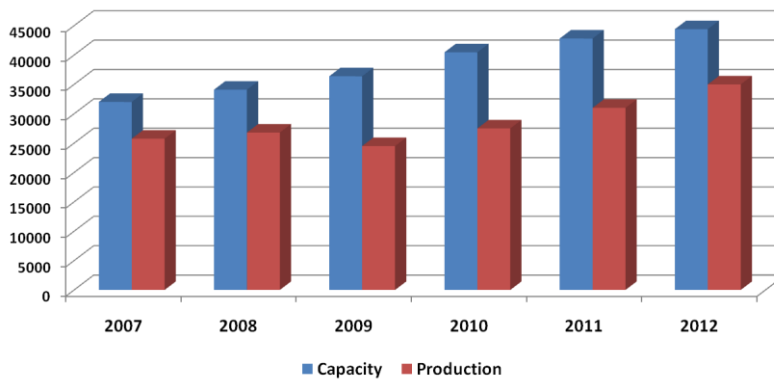
% Share of Markets in 2009-Q1



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Capacity

Turkey's Crude Steel Capacity and Production Forecast ('000 tons)



	2007	2008	2009*	2010**	2011**	2012**
Capacity	32.009	34.100	36.383	40.457	42.807	44.407
Production	25.754	26.806	24.500	27.500	31.000	35.000

* Estimated
** Forecasted

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