

Alacero-58: Leaders of industry and government inaugurate the Latin American Steel Conference

Alacero - Cancun, Mexico, November 07th, 2017. This morning, at the Paradisus Cancun hotel, it was held the opening ceremony of the 58th version of the Latin American Steel Conference, the event that gather the most outstanding leaders of the steel value chain in Latin America and the world.

In this occasion, the Ceremony was chaired by Jefferson de Paula (President of Alacero, Member of the Executive Committee of ArcelorMittal Group and CEO of ArcelorMittal Long Carbon Americas of the South, Central and the Caribbean) and Guillermo Vogel (President of the Mexican Organizing Committee and Vice Chairman of the Board, Tenaris). Rogelio Garza Garza (Deputy Secretary of Industry and Trade, Mexican Ministry of Economy), was present as invited authority, given the official kick off the activities of Alacero-58.

With an attendance of more than 400 people, Jefferson de Paula, welcome the participants and mentioned the mean issues of concern to the steel industry and that will be part of the debates during today and tomorrow 8.

In his speech, De Paula said that *"we need to pave the way to guarantee the future of the steel industry in the region"*. Although this 2017 has been better than the previous years, the recovery has not yet been achieved and it is forecast that by the end of the year the GDP of the region will grow a little more than 1%.

In the case of the Latin American Steel Industry, is estimated that the consumption will increase at a rate of 3.7%, a positive scenario in comparison with previous years, but less than the world apparent steel consumption rate (7%). Imports are another factor in the performance of the sector, they would reach 23.8 million tons (Mt), representing 35% of the apparent consumption, 8,5 Mt are estimated that will come from China, with a significant increase of 11%.

De Paula pointed the importance of the trade defense measures, *"these actions are fundamental to restore the competitiveness in our regional market"*. Regarding the Chinese government objectives to reduce 150 Mt of its installed capacity, said *"this action is very important to withdraw inefficient companies from the steel market"*. *"China is responsible for an overcapacity of approximately 460 Mt, which is equivalent to almost seven times the consumption of steel in Latin America"*.

Also, De Paula remarked the recovery of global market prices, which made Latin American steel companies region more competitive and their relationship with commodities, which will be less volatile by 2018, *"in this way, we believe that this scenario will boost economic growth of the region"*.

For his part, Guillermo Vogel said that *"the steel market has shown a modest recovery, but there are still severe structural imbalances deriving from heavy government subsidies on some companies, mostly from Asia. The United States and Europe have publicly established methodologies to show that China does not meet the necessary requirements to be a market economy, on the ground that its costs and prices distort the market. It is important that all Latin American countries define the procedures to make sure that the same is done in the region"*.

In this scenario, Alacero-58 with their outstanding speakers and representative of the steel industry, will discuss the following topics: Economy: the Economic Perspective in Times of Political Uncertainty; Latin

America Facing the New Global Political and Economic Order; China and Latin America: from the Overcapacity to the New Challenges; Steel and the Fourth Industrial Revolution; and World And Regional Steel Market in the New World

Further information about the activities of Alacero-58 in cancun58.alacero.org

About Alacero

Alacero –the Latin American Steel Association– is the organization that brings together the Steel Value Chain of Latin America to promote the values of regional integration, technological innovation, corporate responsibility, excellence in human resources, safe working environments, and social and environmental sustainability. Founded in 1959, Alacero is formed by 49 companies in 12 countries, whose production –of about 70 million annual tons– represents 95% of the steel manufactured in the region. Alacero is a Special Consulting Organization to the United Nations and is recognized as International Non-Government Organization by the Republic of Chile, host country of Alacero´s headquarters.

Contact

comunicaciones@alacero.org
(56-2) 2233-0545, ext. 23