
Mexican steel sector still not shown signs of recovery - Analyst

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BNamericas reported that Mexico's steel sector has still not shown signs of recovery following its crash last year along with the global economy.

Mr Carlos Hermosillo analyst with local investment firm Vector said that "What we are seeing is how the industry hits rock bottom. The forecast is that recovery will take place in the near future. Next year we should see a clearer perspective on the sector's performance."

He added that although some companies are announcing investments, this is not a sign of immediate recovery, since for these investments to evolve into production they must first pass through a long period of incubation, usually one or two years. According to Latin American Iron & Steel Institute, crude steel production in Mexican dropped by 30.1% YoY to 8.9 million tonnes during the first 8 months in 2009 and primary iron production fell by 33.8% YoY to 5.1 million tonnes during the same period.

Steelmakers in Mexico include local company Ahmsa, Luxembourg based ArcelorMittal and Ternium, with its Hylsa and Imsa divisions.

(Sourced from www.bnamericas.com)

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