
Rays of recovery - Brazilian steel sector on positive mode

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BNamericas quoted Mr Christiano Freire CEO of local distributor Frefer as saying that as Brazil's steel sector begins to recover from previously low demand, sales are starting to rise faster than some distributors are able to replenish their stocks.

Mr Freire told BNamericas that "Inventories diminished and restocking takes a while. Stocks in the distribution sector are actually a bit low and we are noticing the lack of some products. But this is a temporary thing."

According to Brazil's steel distributors association Inda, distributors' inventories equaled 761,800 tonnes in August 2009, the lowest in 2009 as compared to 805,400 tonnes in July and 848,100 tonnes in June.

Mr Freire mentioned certain types of cold and hot rolled sheets and galvanized materials as products that are scarce. He added that however, sales are still somewhat depressed and are at about 83% of the level prior to the crisis.

He said that he expects a 15% drop in sales this year by the entire sector from the 3.71 million tonnes sold in 2008. As for Frefer, he anticipates only a 5% to 10% drop. He added that "We have been seeing a strong recovery in the second half and this trend is expected to increase."

(Sourced from www.bnamericas.com)

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