
Rays of recovery - Iron and steel sector yet to recover after sharp decline in crisis

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Today's Zaman cited Mr Çetin Kaya head of the ?skenderun Organized Industrial Zone and GM of Ekinciler Iron and Steel Company as saying that the Turkish iron and steel industry still suffering from the effect of the global financial crisis experienced significant declines in both production and exports in the first 9 months of 2009.

Mr Kaya stated that the adverse impact of the crisis continues to affect the sector. The iron and steel companies along the Gulf of ?skenderun, which supply half of the country's iron and steel needs, suffered a drop in production of approximately 18% between January and September compared to the same period of 2008.

He said that the decline in production and exports is seen not only in Turkey but throughout the world. Russia, Ukraine and several European countries have experienced a nearly 50% decrease in iron and steel production. Only Iran, India and China have seen a production increase this year. Overall world steel and iron production fell by about 33 percent.

Mr Kaya stated that the decline in production in Turkey is less than that of other countries. He attributed this to the measures taken 2008 to decrease the cost of the crisis on the sector. These measures are also in effect in 2009. The majority of firms in the sector will end the year without turning a profit; however, they are hopeful for 2010.

He said that the fluctuations in prices of iron and steel were not as sharp as those 2008. The prices are around USD 400 to USD 450 in 2009 while this figure was as high as USD 800 in 2008.

Mr Kaya stated that exports fell both in quantity and value. The amount of money earned from exports in the first 9 months of 2009 dropped by some 40% compared to the same period of 2008. Demand for Turkish iron and steel in the US and Europe decreased significantly during the financial crisis, so most exports in this period were made to Egypt, Libya and Iraq.

(Sourced from Todayszaman.com)

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