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## Turkish steelmakers future is bright - Mr Veysel Yayan

*Tuesday, 17 Nov, 2009*

The 4th Steel Orbis Turkish Steel Market Conference held in Istanbul on November 13th 2009, with the sponsorship of KMC, began with a quick look by the SteelOrbis team at market developments since the last conference took place.

After this general overview, Mr Veysel Yayan general secretary of Turkish Iron and Steel Producers' Association, made a presentation in which he cast his eye over trends in steel production across the world and assessed the current situation of Turkish steel producers.

Looking at the evolution of world steel output over 10 year period, Mr Yayan explained that, as a result of the world economic crisis which began in September 2008, world steel production almost returned to its levels of 10 years ago. Meanwhile, over the last 10 years, China has increased its share of the total world steel output from 15% to 49%.

Emphasizing that China and India continued to increase their steel outputs during the global downturn, despite a slowdown in their growth rates, Mr Yayan stated that the center of world steel production has shifted to the east. He said that, thanks to its advantageous position, Turkey ranked fourth among the countries which recorded the lowest decreases in their outputs during the crisis, just after South Korea.

Mr Yayan explained that Turkey produced 21.48 million tonnes of steel in 2008 and ranked ninth among the top steel producers of the world, following Ukraine. In the first 9 months of 2009, Turkey's steel output declined by 13.5% while its world ranking as a steel producing country remained unchanged, although Brazil with its powerful economy is expected to rank ninth at the end of 2009. He expects Turkish steel output to contract by just 5% in 2009 due to the increases in output which have begun to be seen in the last quarter of the year.

He told his listeners that the demand for steel in Turkey contracted by almost 50% in the Q1 of the year, while the Q3 witnessed a drop of 25% and he predicted an overall 10% contraction for the whole of the year.

Explaining that Turkish steelmakers suffered seriously during the global downturn due to high cost inventories, Mr Yayan said that Turkish producers had succeeded in managing the crisis better than their competitors in the West, thanks to their ability to quickly accommodate themselves to new conditions, their talent for finding new markets and their dynamism. He recalled that in past years Turkish exporters had focused their attention on the European market, then switching to the rising Middle East market just before the crisis. Since projects in the Middle East entered a downtrend due to the global stagnation, the Turkish exporters have headed to North Africa.

While affirming that the 2008 crisis was unprecedented, Mr Yayan said that investment projects and commissioning of new capacities still continued in Turkey due to the advantageous location of the country. He predicted that 10% rise in Turkey's steel output, consumption and exports in 2010. He concluded his presentation by stating that, although China has come to be a very important player in the world steel market, he does not give much credence to any disastrous scenarios predicted due to China's strength.

(Sourced from Steel Orbis)

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