
Mexican steel production and consumption fell sharply in Q1

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According to Mr Octavio Rangel Frausto director of Mexican steel association CANACERO's, Mexico's liquid steel production in the Q1 of 2009 fell by 35% compared to 2008's Q1 production, while the country's steel consumption fell by an even sharper 41.5%.

Mr Rangel said that Mexico's steel production in the first three months of 2009 totaled 3.103 million tonne as compared to the 4.757 million tonne produced in the same period of 2008 while national steel consumption dropped to 3.779 million tonne in this period, from 6.444 million tonne a year ago.

He explained that the drop in these figures is a result of the global financial crisis, and that the swine flu pandemic is expected to further affect the industry's performance in May as steel firms suspended production from May 1 to May 5. The government has forecasted a 0.3 percent drop in the national GDP due to the health threat.

Mr. Rangel said that "While we are certainly starting to see the beginning of a slight increase in production levels, considering that at the end of 2008 we recorded a fall of 50% as between February and March of this year we have seen a 12% growth, the suspension of activities due to health risk (from the swine flu) may be the determining factor that might turn May into the worst month of the year in terms of production and sales."

Mr Rangel added that there have been no reports of infected people within the industry and that the threat of spread has been contained.

(Sourced from SteelOrbis)

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