

Latin American Steel Conference Alacero-60

November 11-13, 2019
Convention Center, Hilton Hotel Buenos Aires



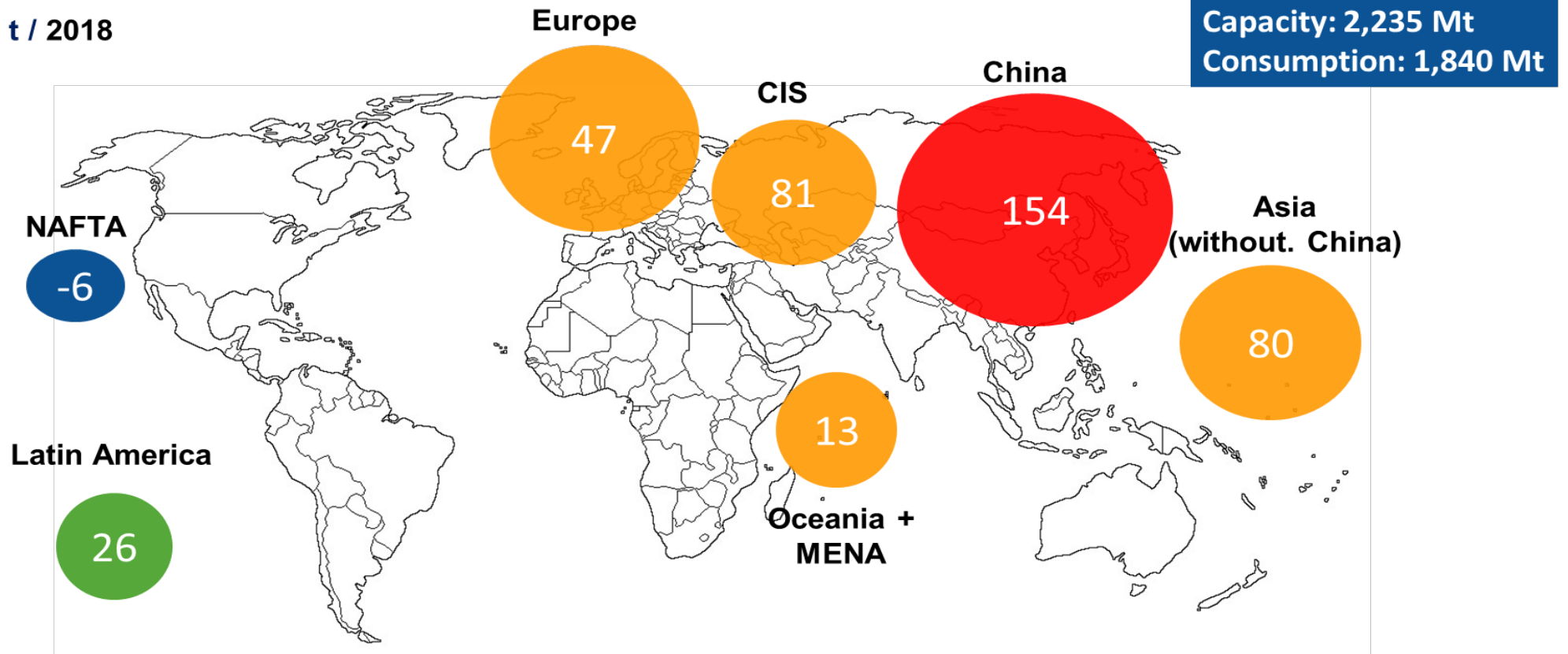
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KEY ISSUES CHALLENGING STEEL INDUSTRY

- **Steel Production Overcapacity**

World steel overcapacity: 395 Million tonnes

In Million t / 2018

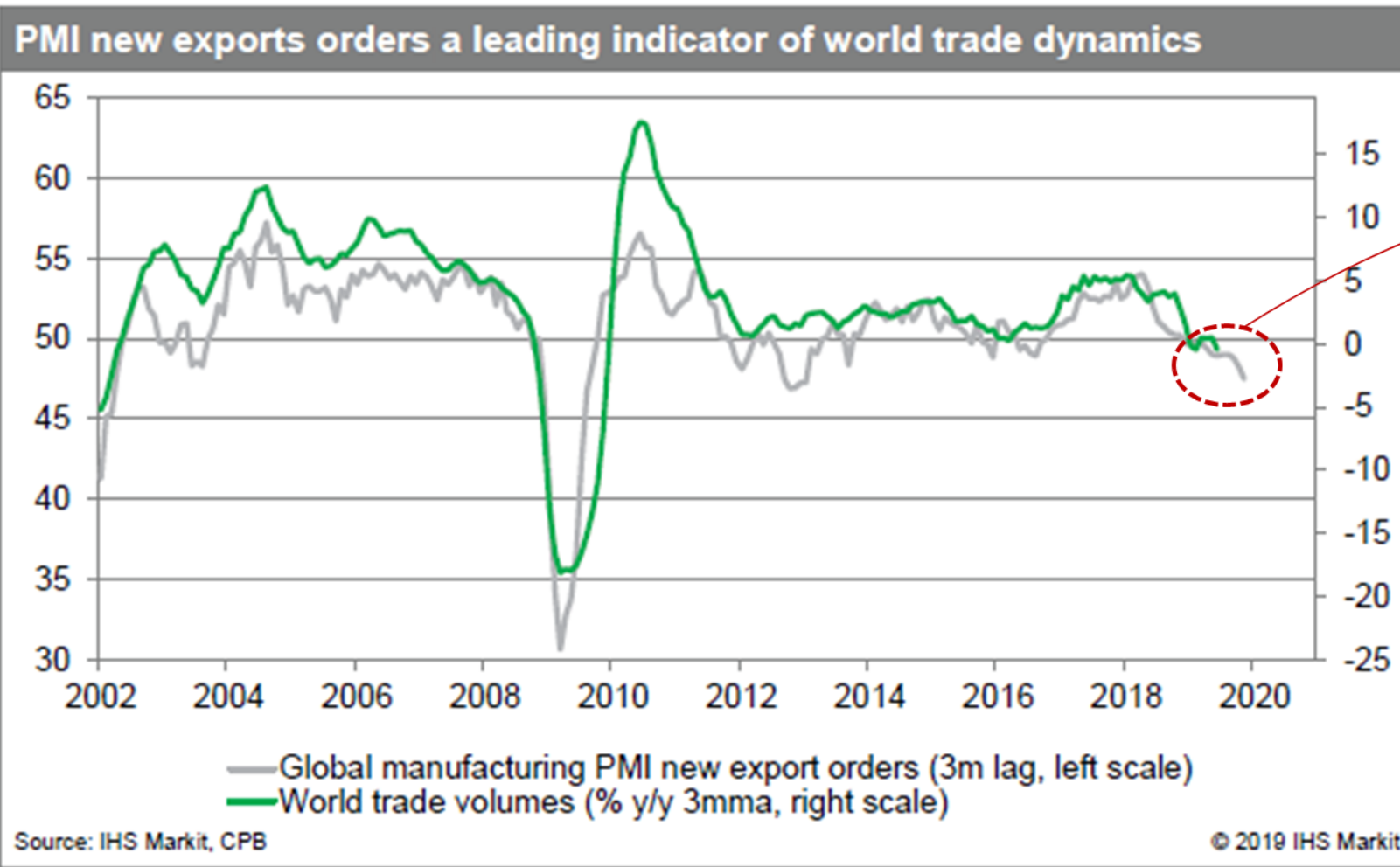


Fonte: Brazil Steel Institute with data from worldsteel and OECD

KEY ISSUES CHALLENGING STEEL INDUSTRY

- **Steel Production Overcapacity**
- **De-globalization**
 - *INTERNATIONAL TRADE REPLACED BY REGIONAL TRADE*
 - *INCREASE IN PROTECTIONIST MEASURES*

World trade declines



The IHS leading export indicator (new orders) has been below 50 points for over a year and has recently shown signs of worsening


Trade war



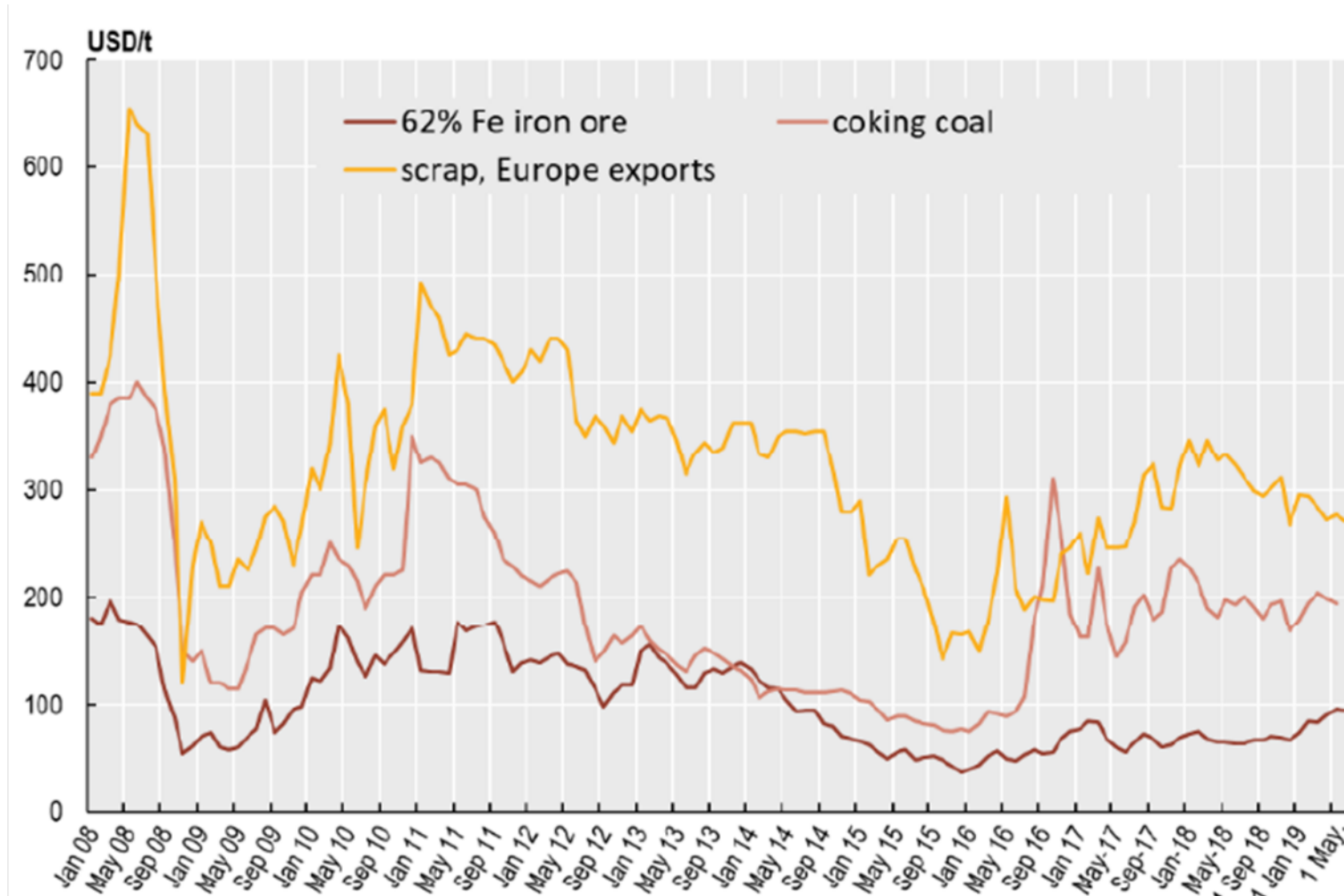
Fonte: Aço Brasil

*GCC: Gulf Cooperation Council

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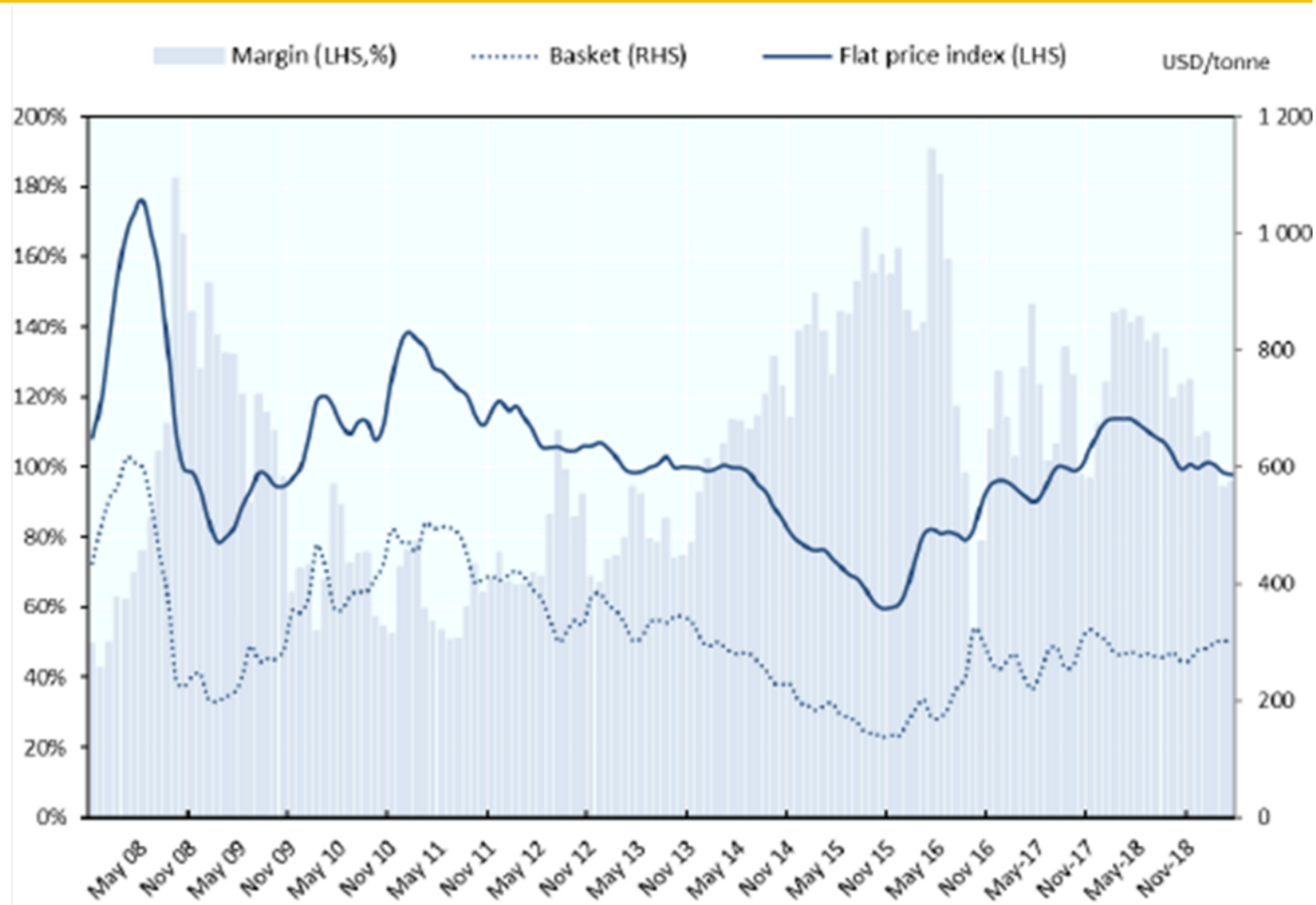
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 - INTERNATIONAL TRADE REPLACED BY REGIONAL TRADE*
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- **Volatility In Raw Materials Prices**

Prices for key steel-making raw materials




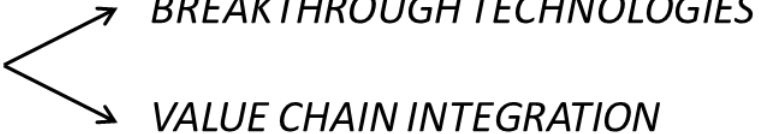
Source: OECD

Margin between steel and raw materials prices



Source: OECD

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- **Innovation & Digital Transformation** 
 - *BREAKTHROUGH TECHNOLOGIES*
 - *VALUE CHAIN INTEGRATION*

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 - *VALUE CHAIN INTEGRATION*
- **Sustainability & Climate Change**
 - *CIRCULAR ECONOMY*
 - *STEELMAKING DECARBONISATION*

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