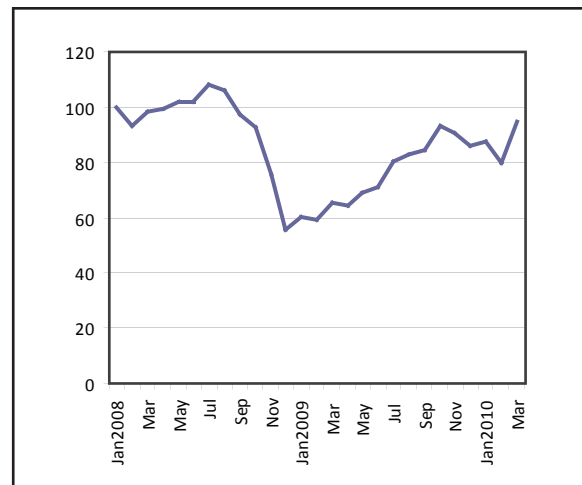


From the ECLAC report:

Foreign Direct Investment in Latin America and the Caribbean 2009

- The iron and steel sector was one of the hardest hit by the recent global crisis, with a 24% fall in iron and steel consumption. From 2000-2007, production in Latin America grew an average 4.4% per year.
- Given the size and importance of iron and steel companies, governments have always paid special attention to this sector. The counter-cyclical measures adopted by governments, particularly the assistance to construction and the automobile industry, were decisive for recovery, which was quicker than expected. Although companies suspended many projects for expansion, capacity was not destroyed.
- A common trait of iron and steel companies is their trend towards vertical integration and internationalization. The shift of demand towards emerging economies is forcing many companies to relocate their steel production in large developing economies. Particularly significant is the advance of China, which produced 47% of the world's steel during 2009.
- A dozen multinational iron and steel companies produce 82.6% of the region's raw steel. Five of them (responsible for 30.7% of the total) are foreign controlled and seven (producing 51.9%) are trans-latins. The remaining 17.4% is produced by local companies that have not invested abroad.
- In the region, Brazil concentrates 51% of production, while Mexico produces 27%, followed by Argentina (8%) and Venezuela (6%).

MONTHLY PRODUCTION OF RAW STEEL IN LATIN AMERICA, 2008-2010 (JANUARY 2008 = 100)



Source: ECLAC, based on data from the World Steel Association.

MULTINATIONAL IRON AND STEEL COMPANIES IN LATIN AMERICA

(in millions of tons)

	Position in the World Ranking 2008	World production of raw steel 2008 (millions of tons)*	Country of origin
ArcelorMittal	1	103,3	Luxemburgo
Nippon Steel	2	36,9	Japan
POSCO	4	34,7	Korea
Gerdau	11	19,5	Brazil
ThyssenKrupp	17	16,0	Germany
Ternium (Grupo Techint)	27	6,4	Argentina
Tenaris (Grupo Techint)	27	3,1	Argentina
Usiminas	38	8,0	Brazil
CSN	57	5,0	Brazil
ICH/Simec	78	3,2	Mexico
Vallourec	88	2,8	France/Germany
Votorantim Siderurgia	...	1,1	Brazil

Source: ECLAC, based on data from Metal Bulletin.

- Brazil is also the main steel exporter in the region, ranking 13th place worldwide. It is also the main world exporter of iron.
- FDI in iron and steel is also concentrated in Brazil and Mexico. In Brazil it amounts to 28% of total FDI in manufacturing and in Mexico 17%. FDI flows to this sector is explained by growing demand, opportunities to buy companies being privatized, lower production costs and the search for natural resources.