DEVELOPMENTS IN THE WORLD & TURKISH STEEL MARKET AND OUTLOOK

STEELORBIS TURKISH STEEL MARKET CONFERENCE

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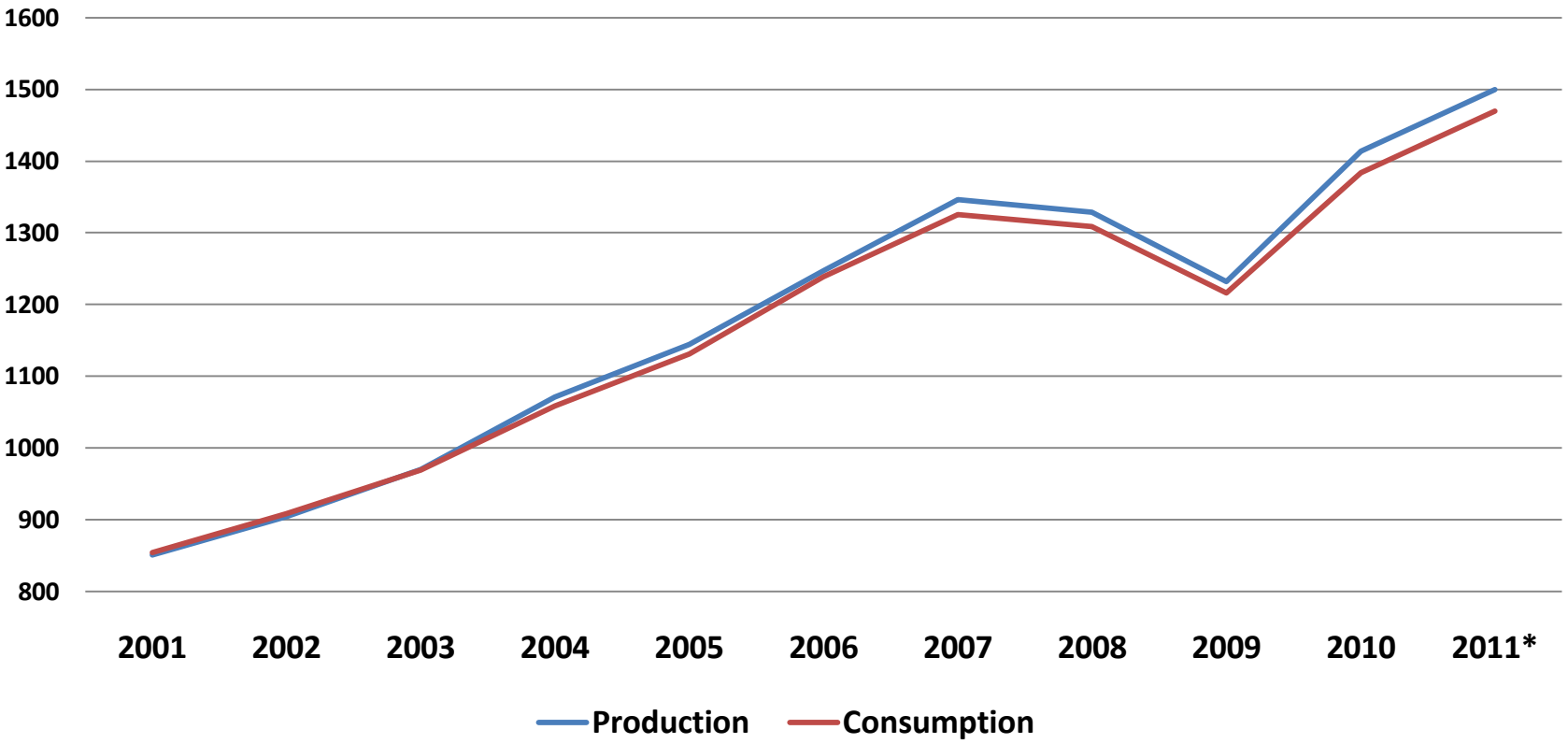
18 November 2011
İstanbul

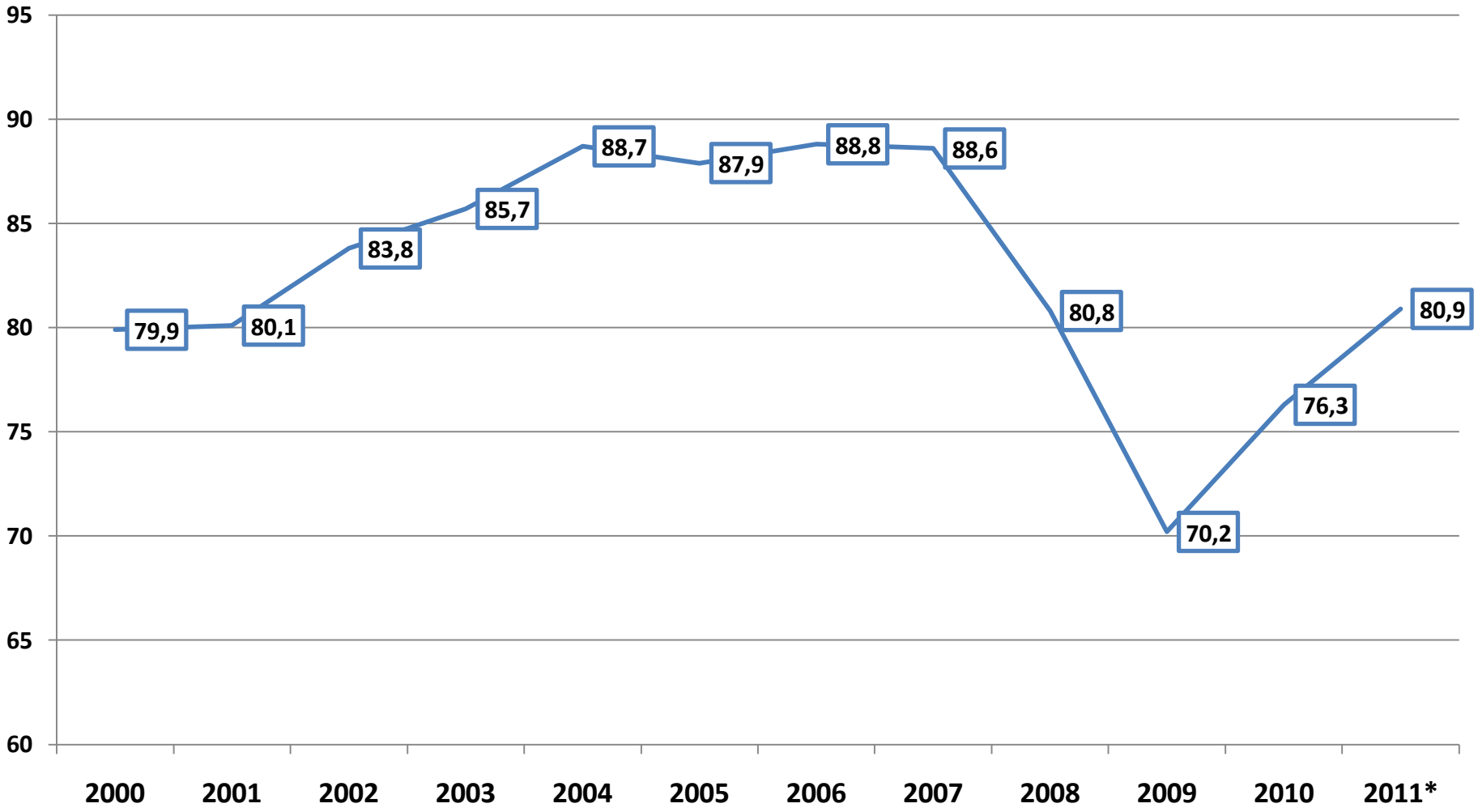
World Crude Steel Production and Consumption (mmt)



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
Production	851	904	970	1071	1144	1247	1346	1329	1232	1414	1500
Consumption	854	908	969	1058	1131	1239	1325	1309	1216	1384	1470

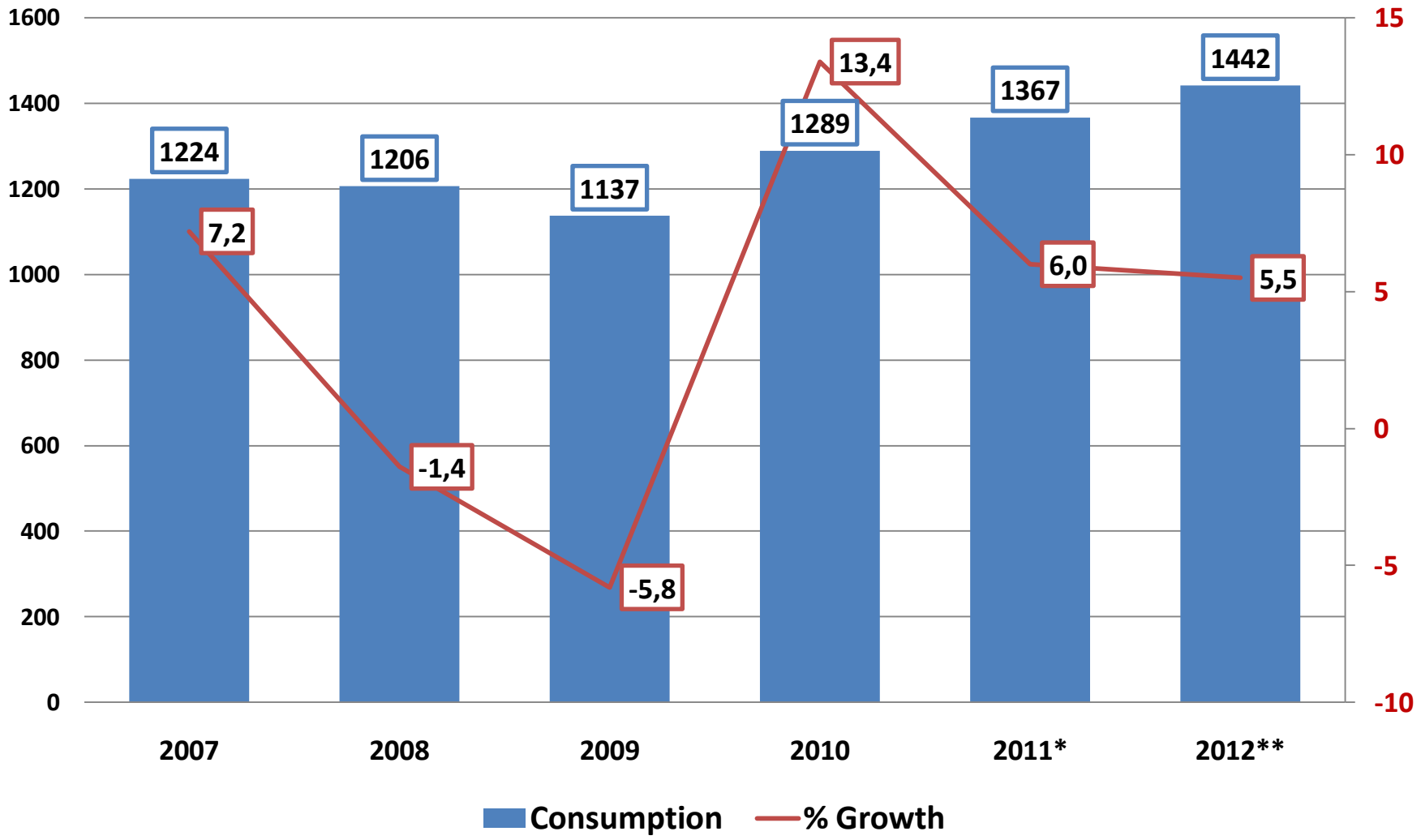
** expected*

World Capacity Utilisation in Crude Steel Production (%)



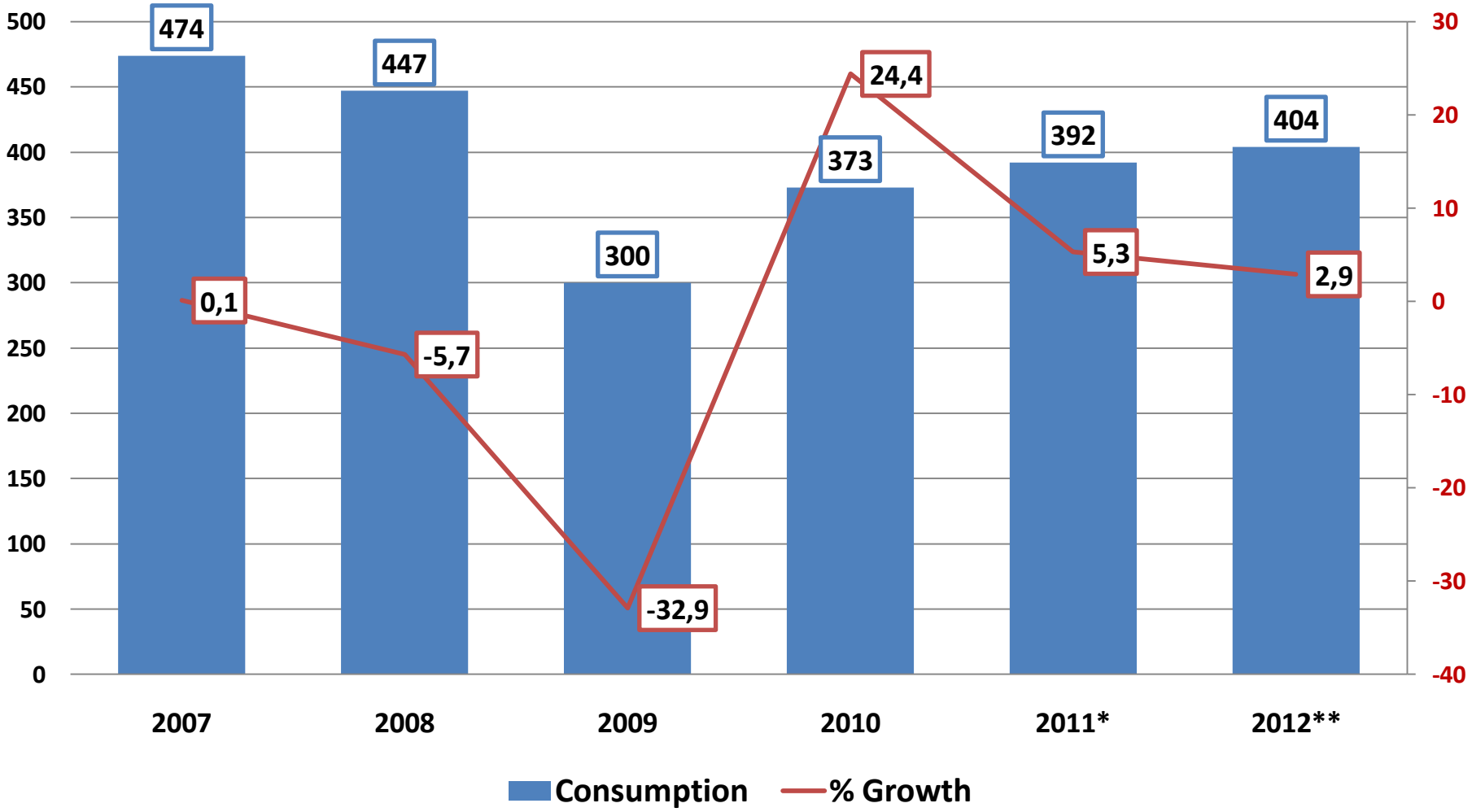
** estimated*

World Finished Steel Consumption (mmt) & Growth (%)



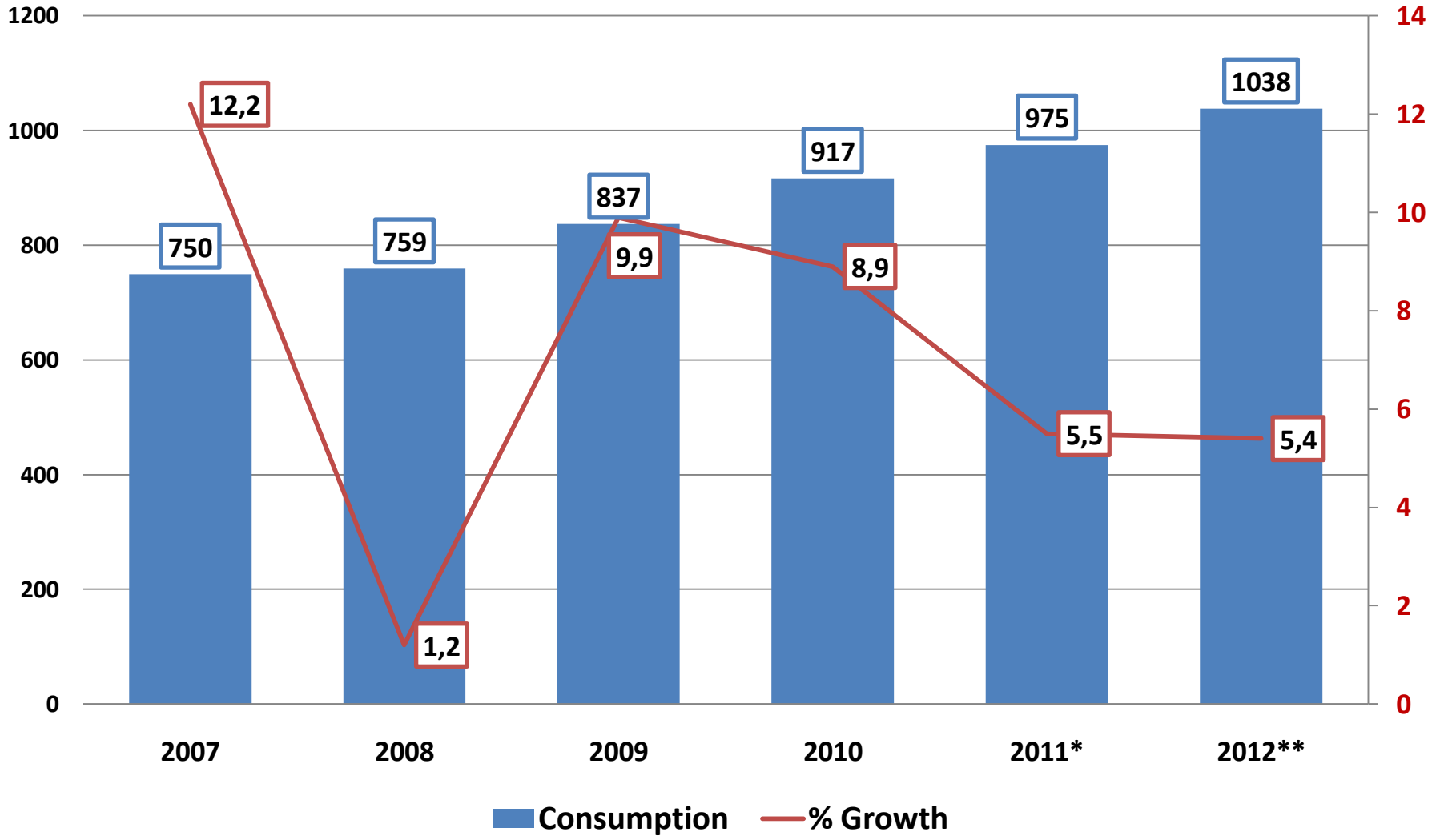
** Estimated*
*** forecasted*
Source: Worldsteel

Steel Consumption in Developed Economies (mmt) & Growth (%)



** Estimated*
*** forecasted*
Source: Worldsteel

Steel Consumption in Developing & Emerging Economies (mmt) & Growth (%)



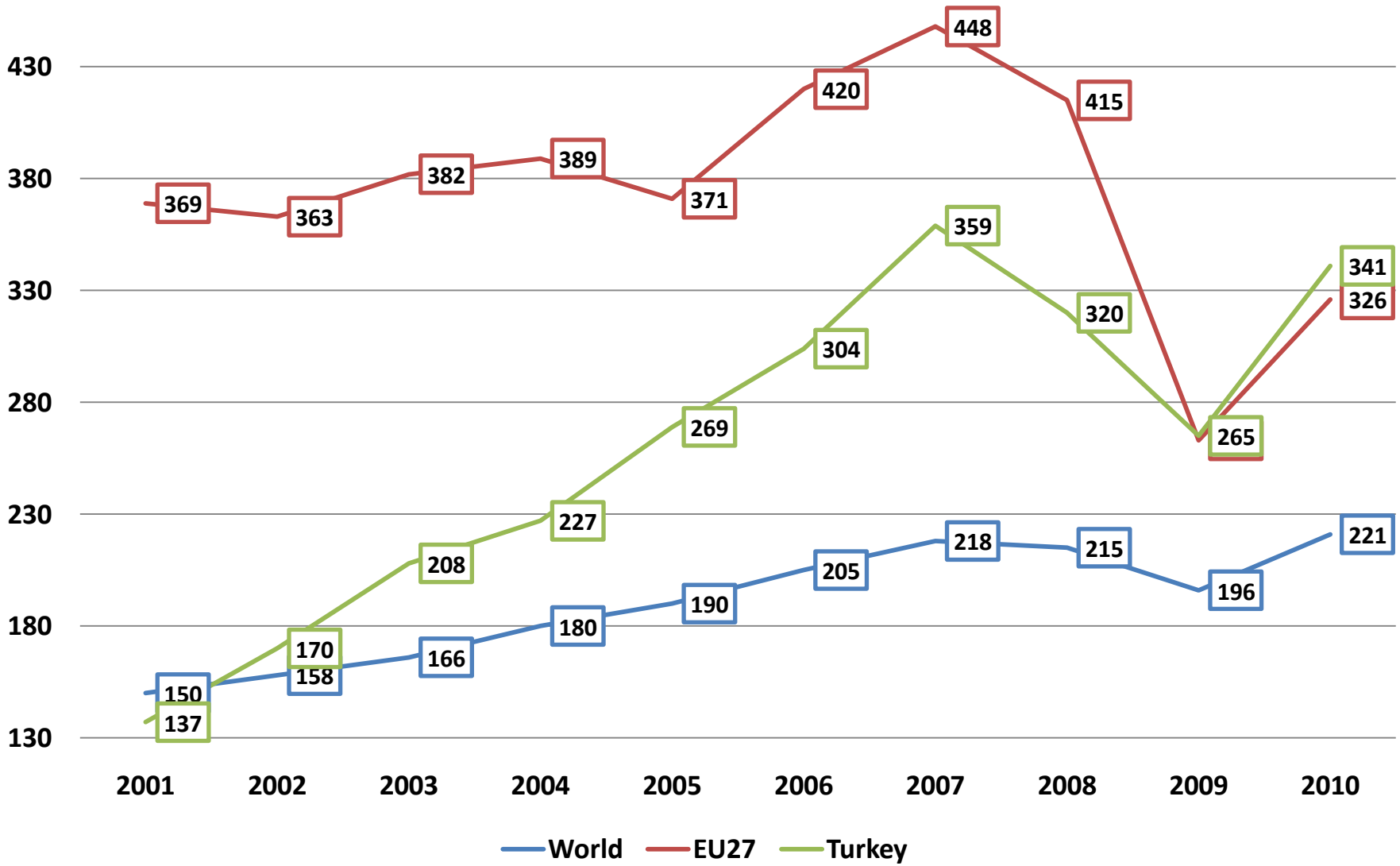
** Estimated*
*** forecasted*
Source: Worldsteel

World Steel Consumption (mmt) & Growth (%)

	2010	2011*	2012**	11/10	12/11
EU27	144	156	161	**8,1**	**3,1**
Other Europe	30	33	35	**11,5**	**6,1**
CIS	49	56	60	**14,4**	**7,6**
NAFTA	111	122	128	**9,6**	**5,6**
C. & S. America	46	48	53	**4,8**	**9,8**
Africa	25	22	24	**-12,2**	**11,6**
Middle East	48	49	53	**2,3**	**7,8**
Asia &Ocenia	838	883	929	**5,4**	**5,2**
China	576	611	641	**6,0**	**5,0**
WORLD	**1289**	**1367**	**1442**	**6,1**	**5,5**

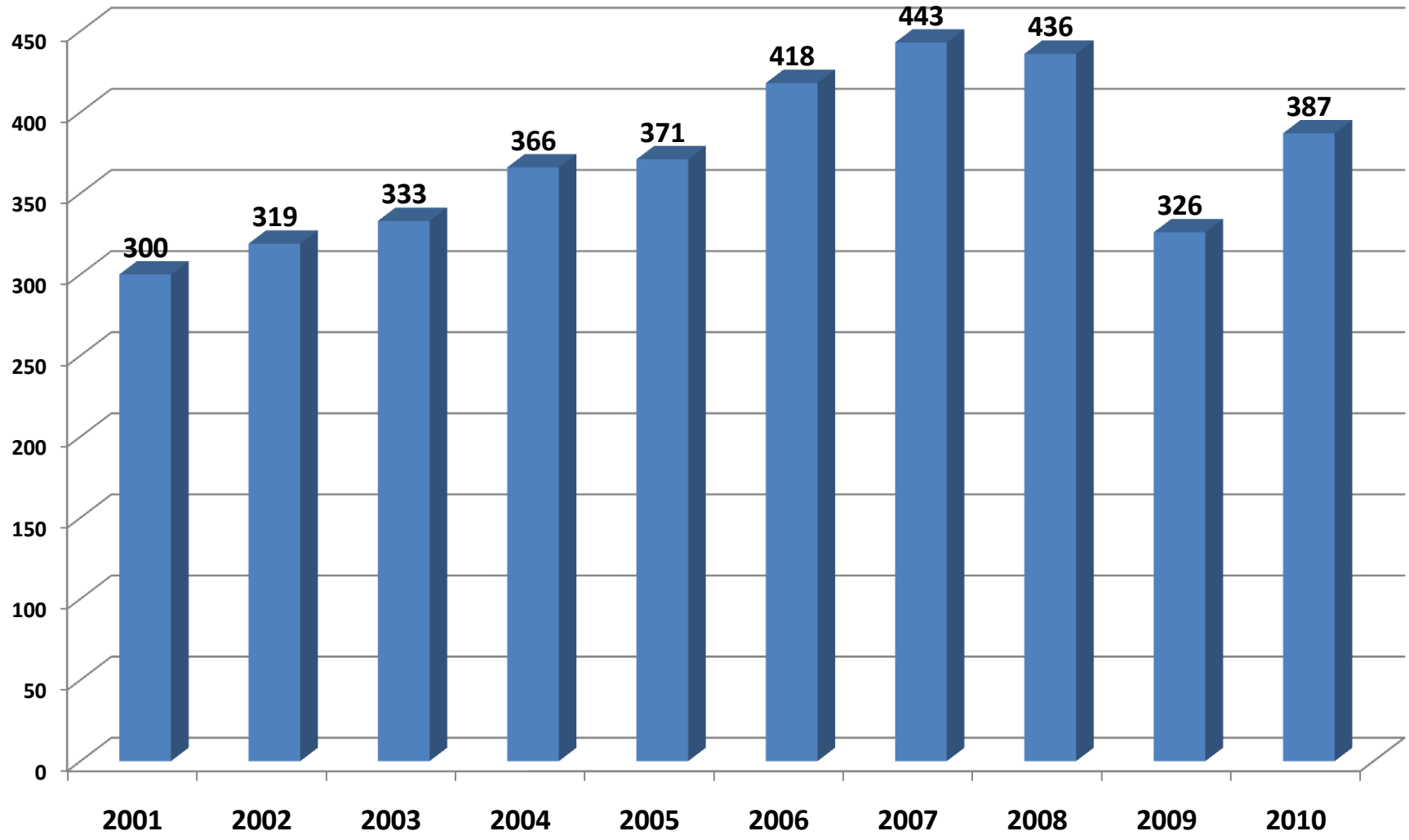
** Estimated*
*** forecasted*
Source: Worldsteel

Apparent Crude Steel Consumption Per Capita (kg)



Source: Worldsteel
** Turkey's figure is DCUD Data*

World Semis & Finished Steel Export (mmt)

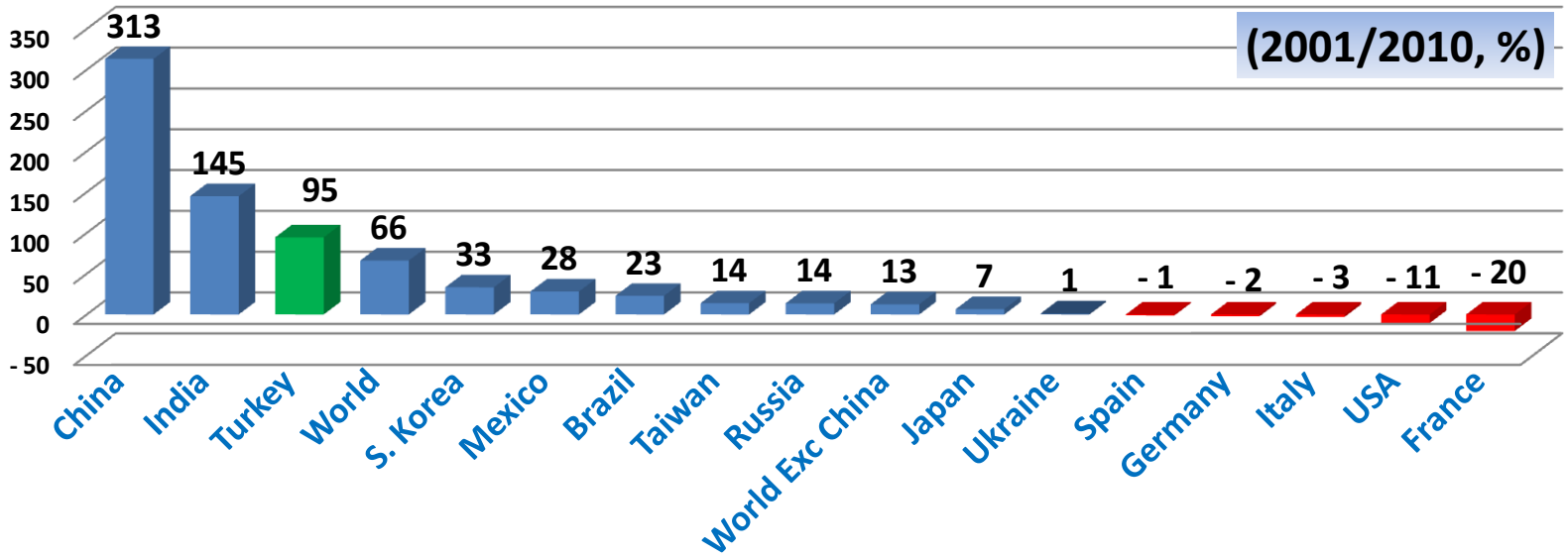


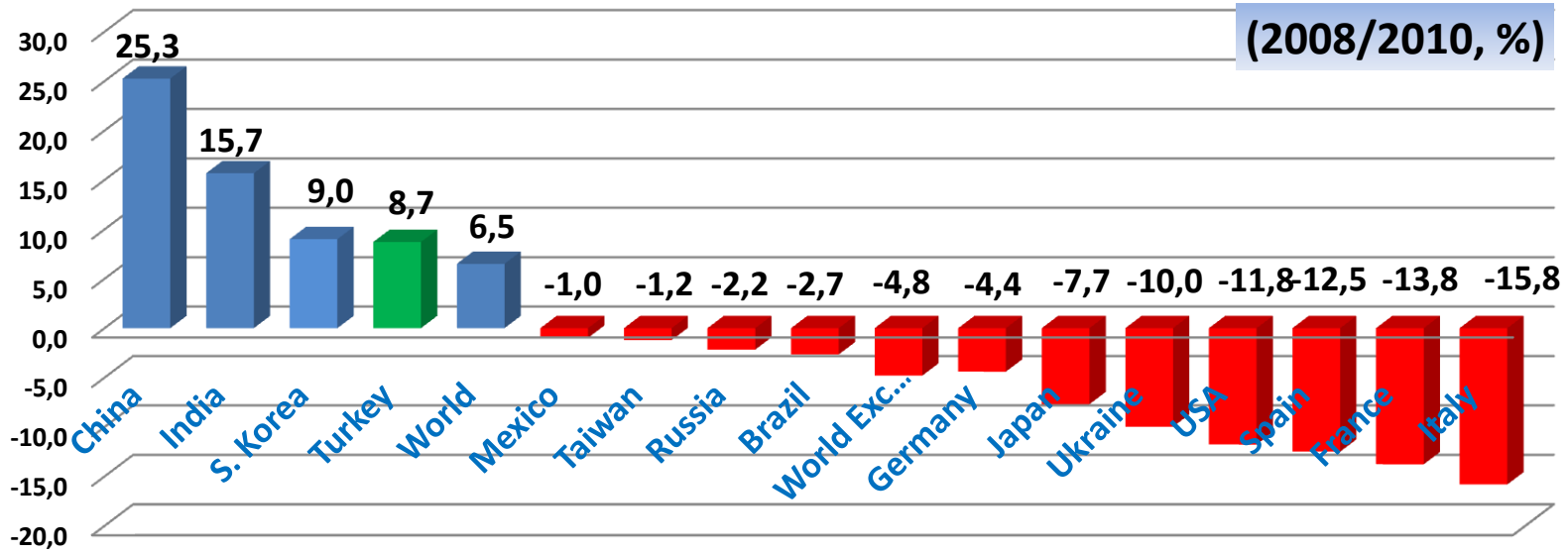
Source: Worldsteel

Top 15 Steel Producers of the World, Jan-Sep 2011 ('000 tonnes)

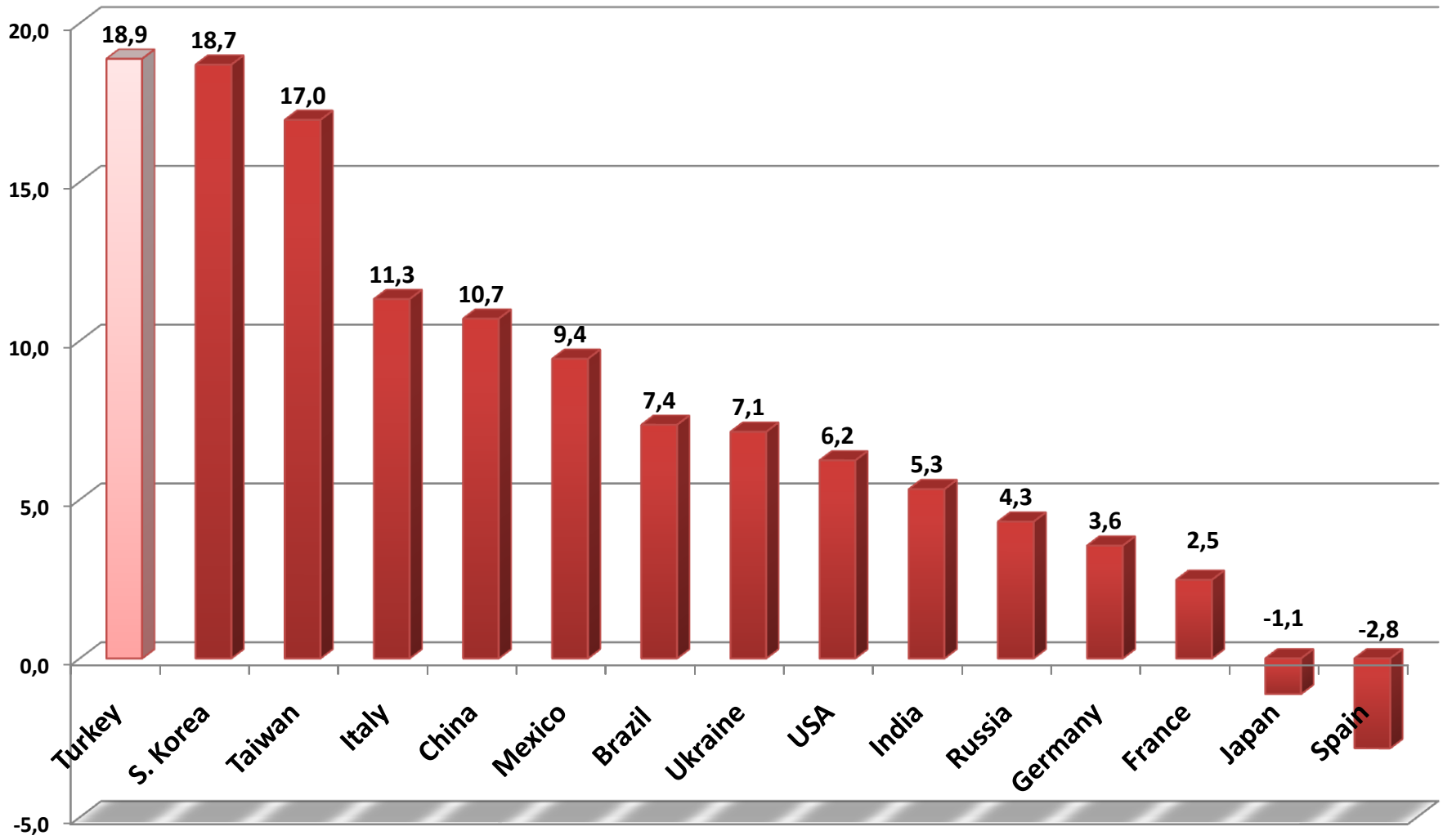
		2009	2010	2010-9m	2011-9m	% change
1	China	573 567	626 654	474.900	525.700	10,7
2	Japan	87 534	109 600	81.934	81.015	-1,1
3	USA	58 196	80 594	60.886	64.682	6,2
4	India	62 838	66 848	51.179	53.906	5,3
5	Russia	60 011	67 021	49.728	51.870	4,3
6	S. Korea	48 572	58 453	42.653	50.628	18,7
7	Germany	32 670	43 815	32.969	34.139	3,6
8	Brazil	26 506	32 820	24.885	26.715	7,4
9	Ukraine	29 855	33 559	24.616	26.372	7,1
10	**Turkey**	**25 304**	**29 143**	**21.078**	**25.058**	**18,9**
11	Italy	19 848	25 751	19.099	21.260	11,3
12	Taiwan	15 873	19 641	14.555	17.023	17,0
13	Mexico	13 957	17 041	12.470	13.646	9,4
14	Spain	14 362	16 311	12.566	12.211	-2,8
15	France	12 840	15 416	11.625	11.913	2,5
	TOTAL	**1 229 410**	**1 413 596**	**1.047.966**	**1.133.860**	**8,2**

Production Growth Performance of the Top 15 Steel Producing Countries

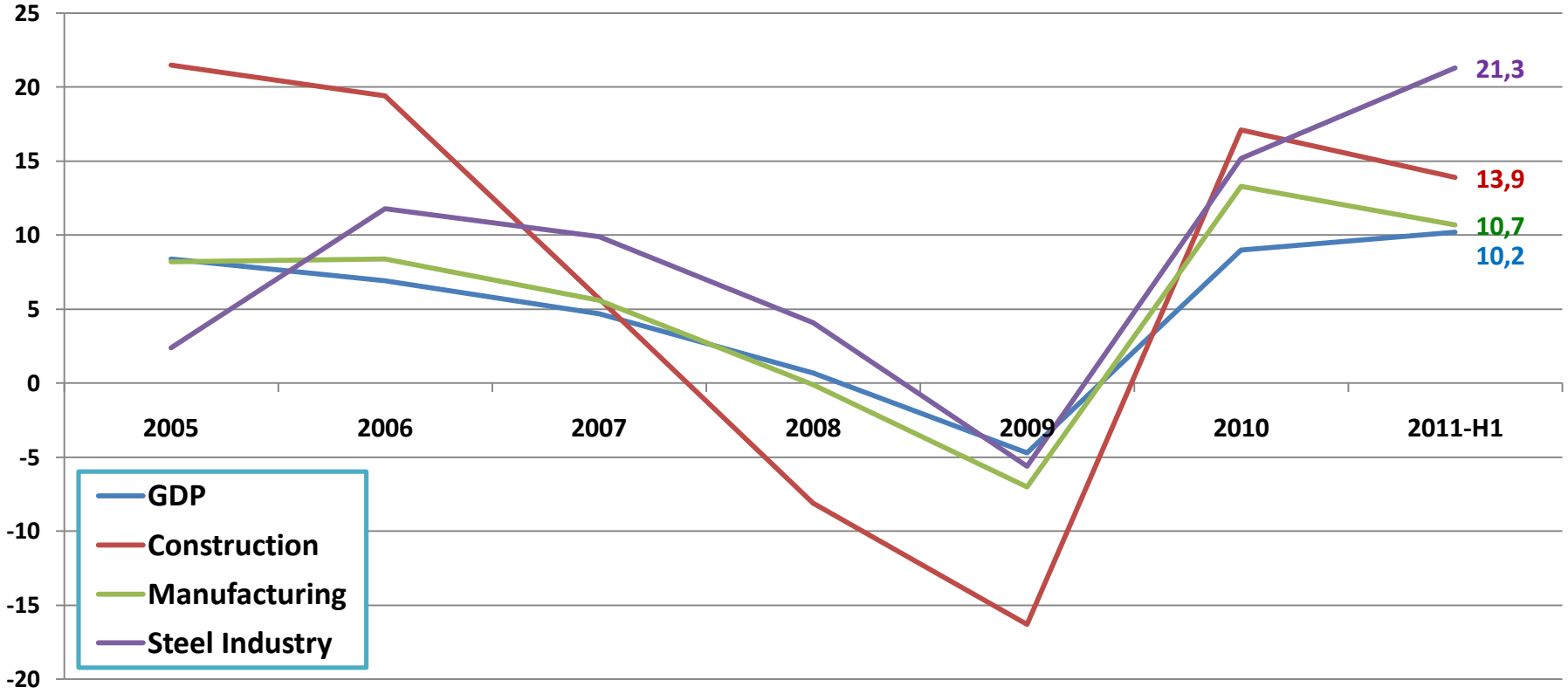




Crude Steel Production Growth (%) of The Largest 15 Producers (Jan-Sep 2011)

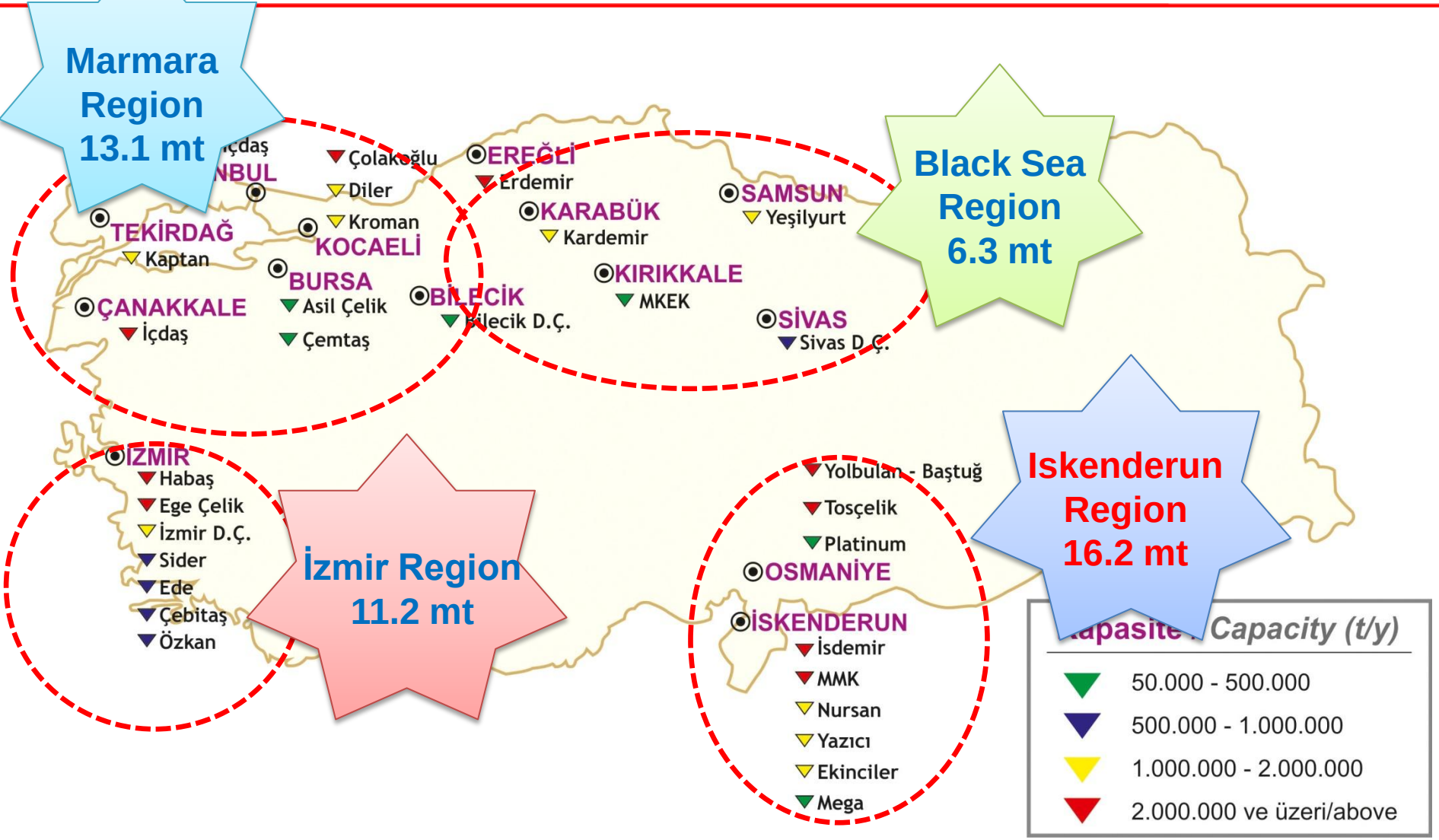


Development of Economy, Construction, Manufacturing and Steel Industries (%)

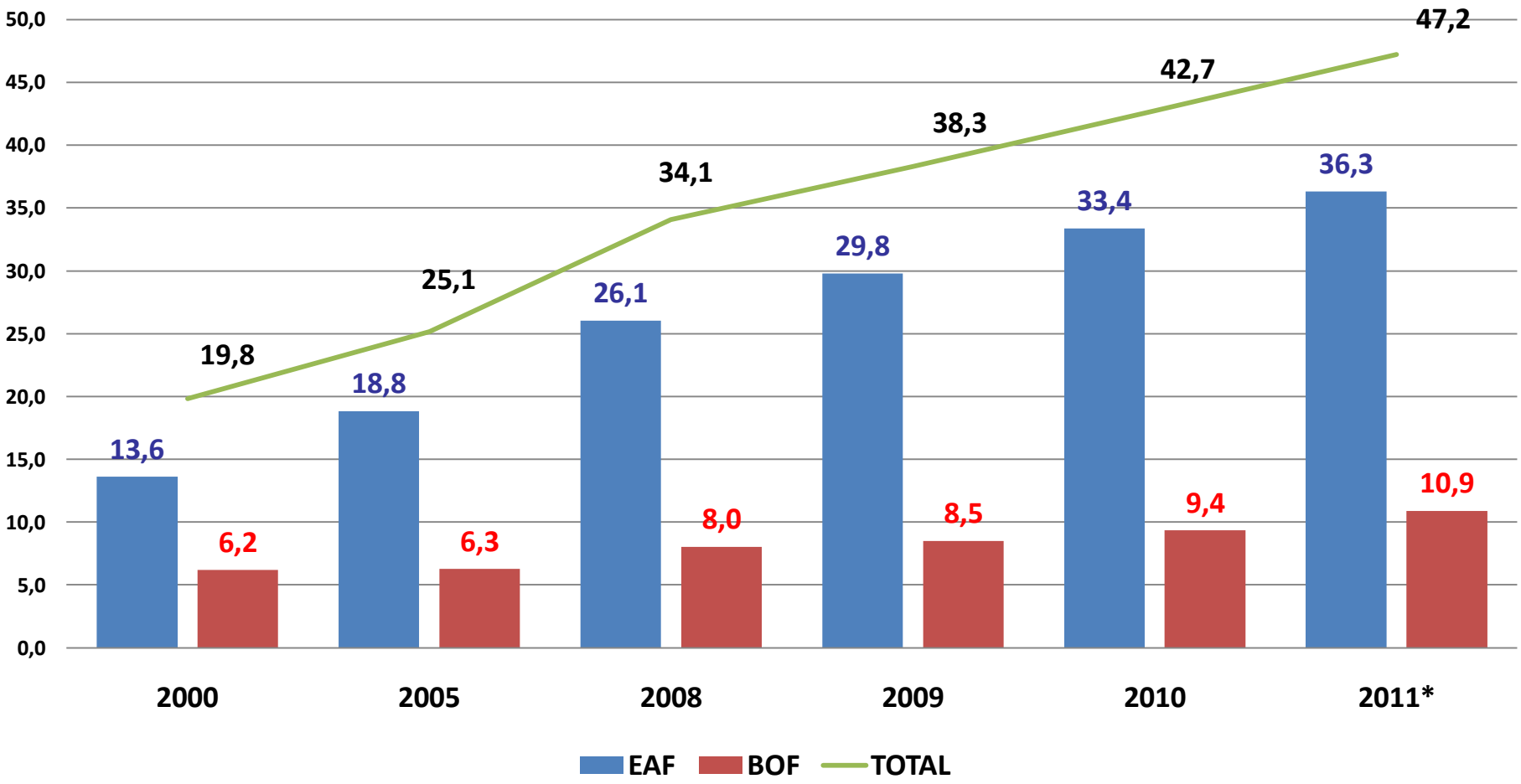


	2005	2006	2007	2008	2009	2010	2011-H1
GDP	8,4	6,9	4,7	0,7	-4,7	9,0	10,2
Construction	21,5	19,4	5,7	-8,1	-16,3	17,1	13,9
Manufacturing	8,2	8,4	5,6	-0,1	-7	13,3	10,7
Steel Industry	2,4	11,8	9,9	4,1	-5,6	15,2	21,3

Turkey's Crude Steel Production Capacity by Regions in 2011 (million tons)

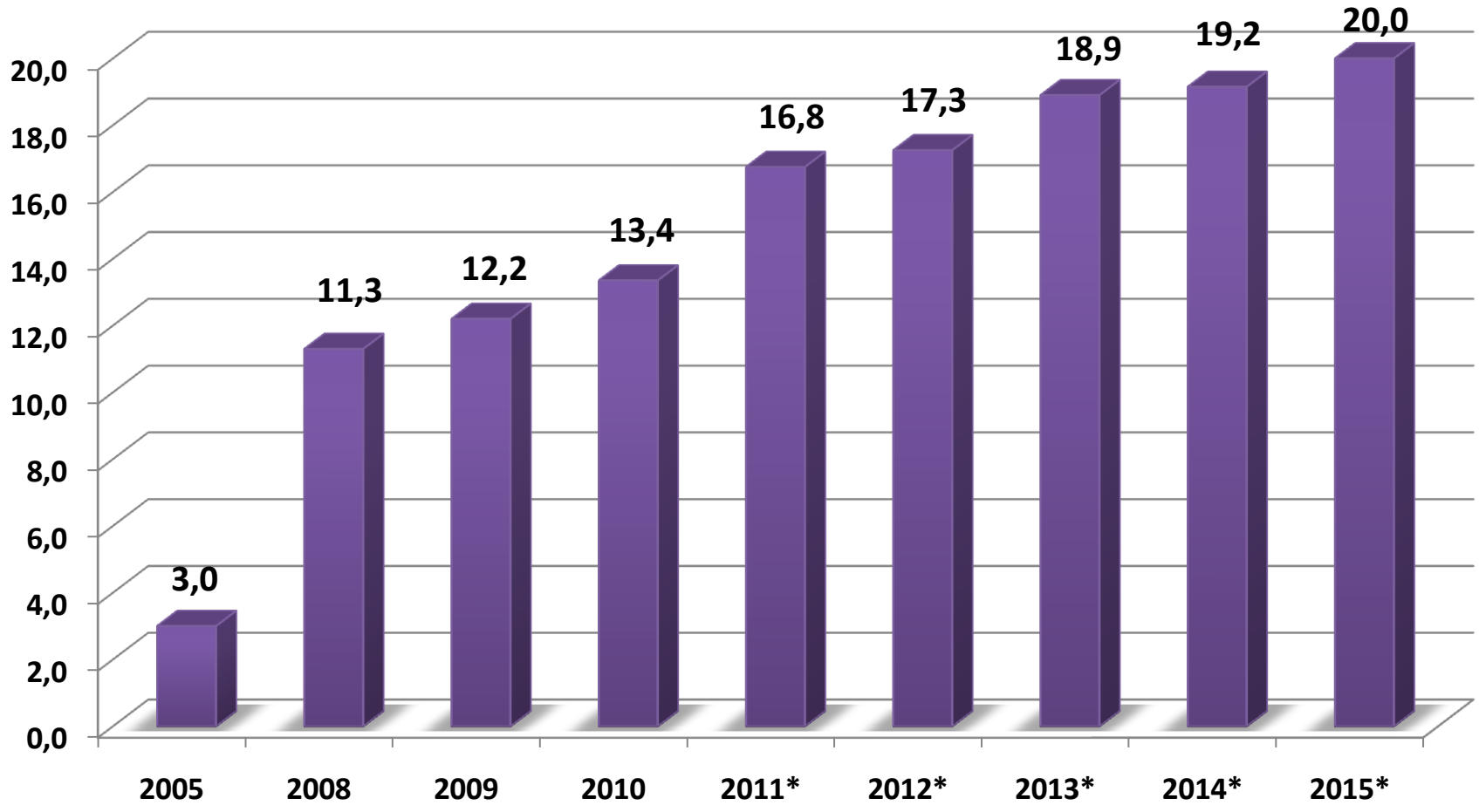


Turkey's Melting Capacity (million tons)



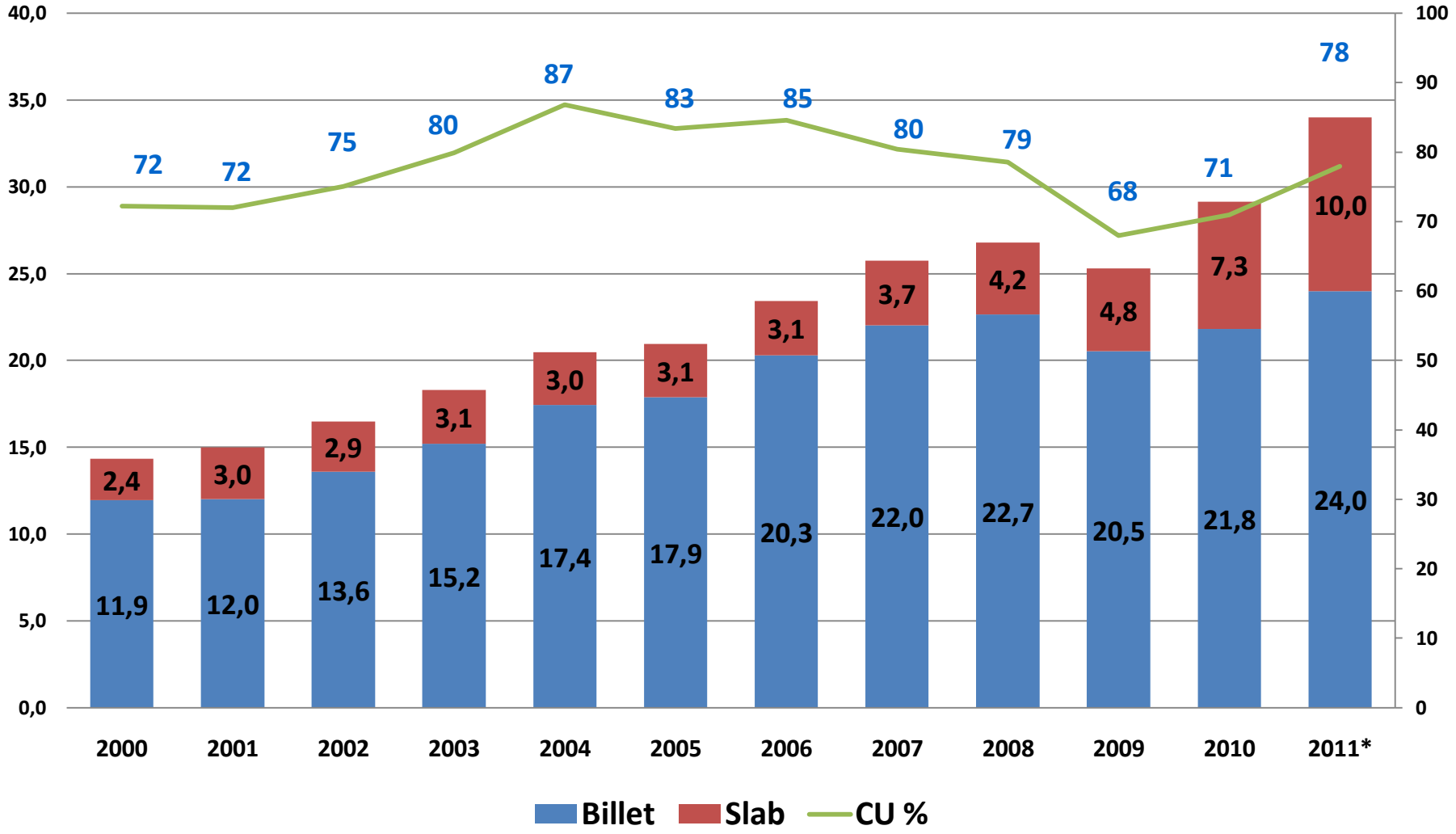
** estimated*

Turkey's Slab Production Capacity (million tons)



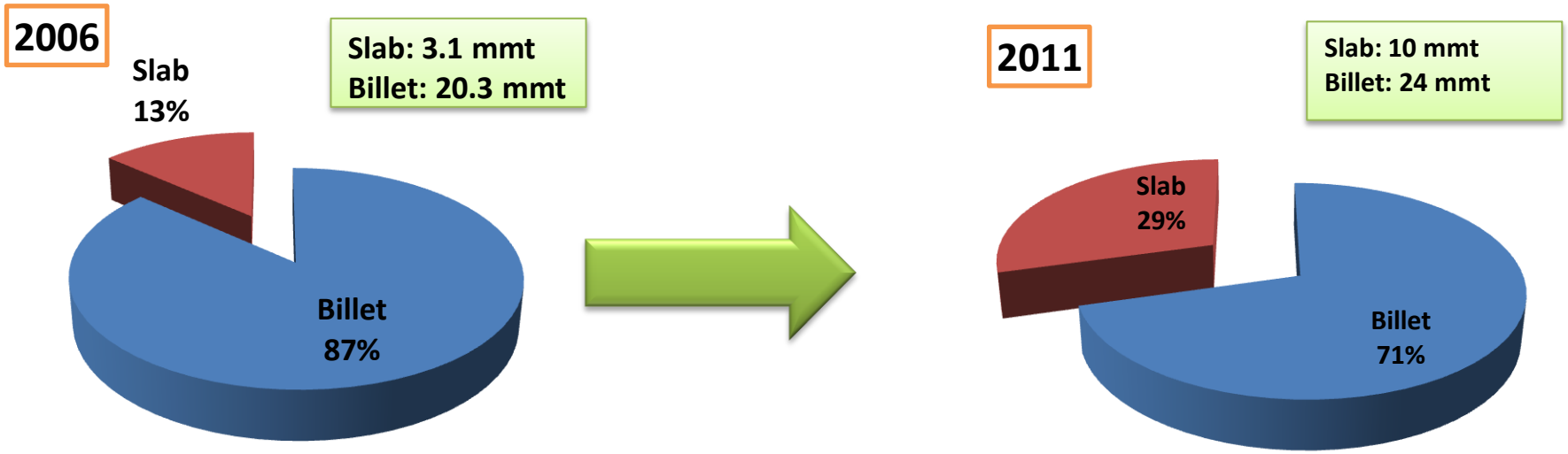
** estimated*

Turkey's Crude Steel Production (million tons) and Utilisation in Melting Capacity (%)



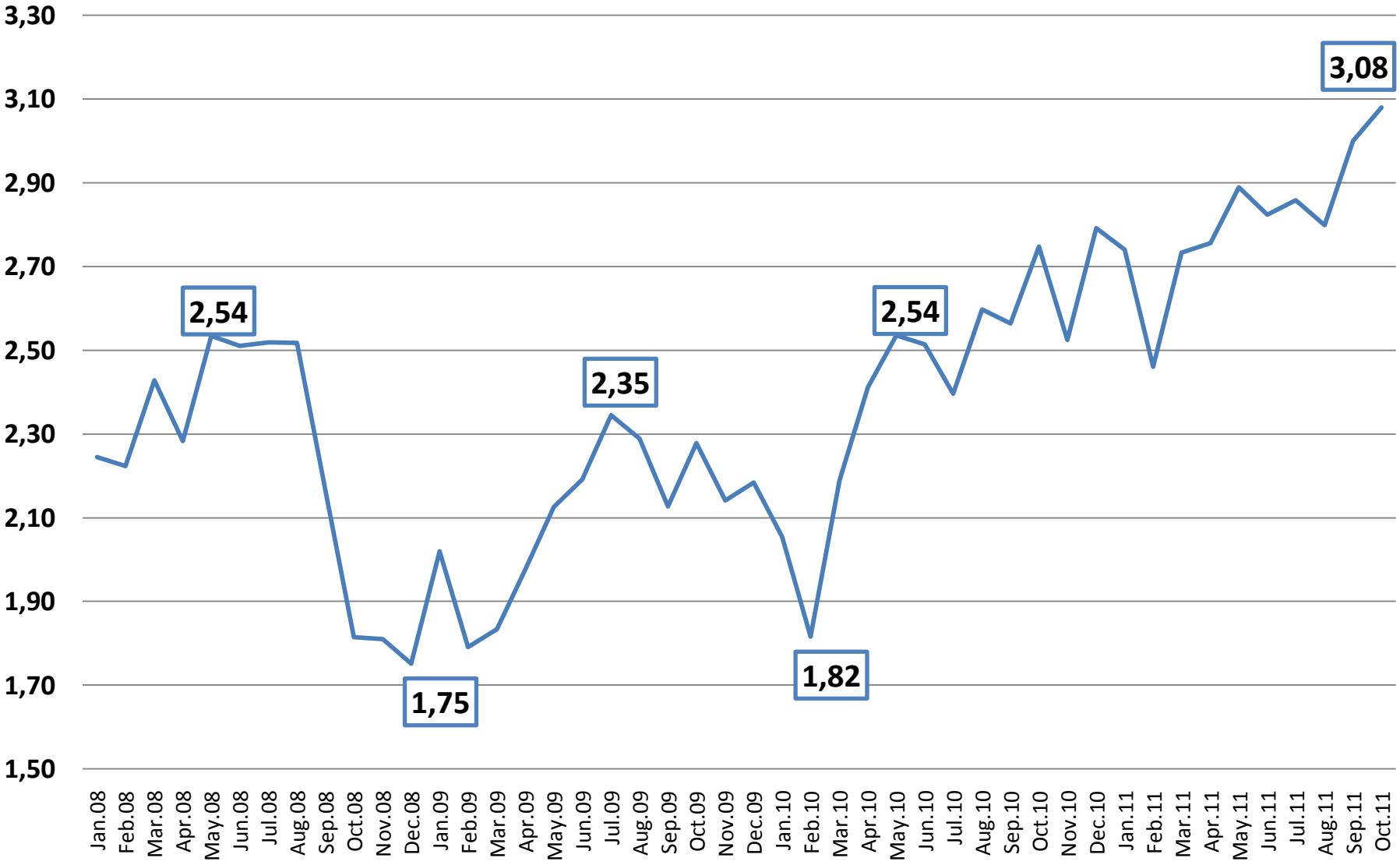
Turkey's Crude Steel Production (million tons)

	2006	2007	2008	2009	2010	2010 10m	2011 10m	% change (11/10)
Billet	20,3	22,0	22,7	20,5	21,8	17,9	20,0	11,2
Slab	3,1	3,7	4,2	4,8	7,3	5,9	8,2	39,1
TOTAL	**23,4**	**25,8**	**26,8**	**25,3**	**29,1**	**23,8**	**28,1**	**18,1**
EAF	17,3	19,4	19,8	17,7	20,9	17,0	20,8	22,5
BOF	6,2	6,4	7,0	7,6	8,2	6,8	7,3	7,2

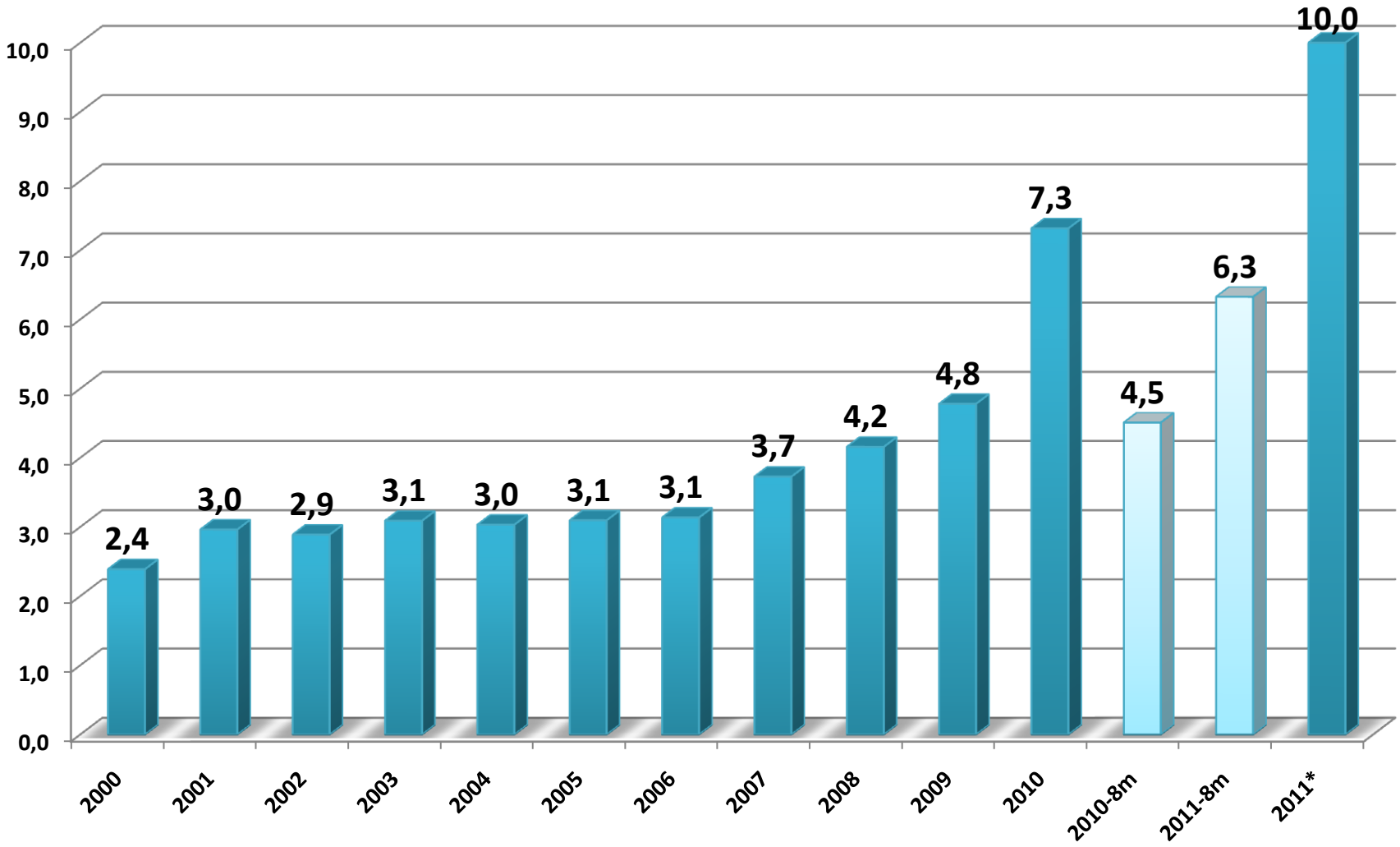


** 2011 estimated*

Turkey's Montly Crude Steel Production (million tons)

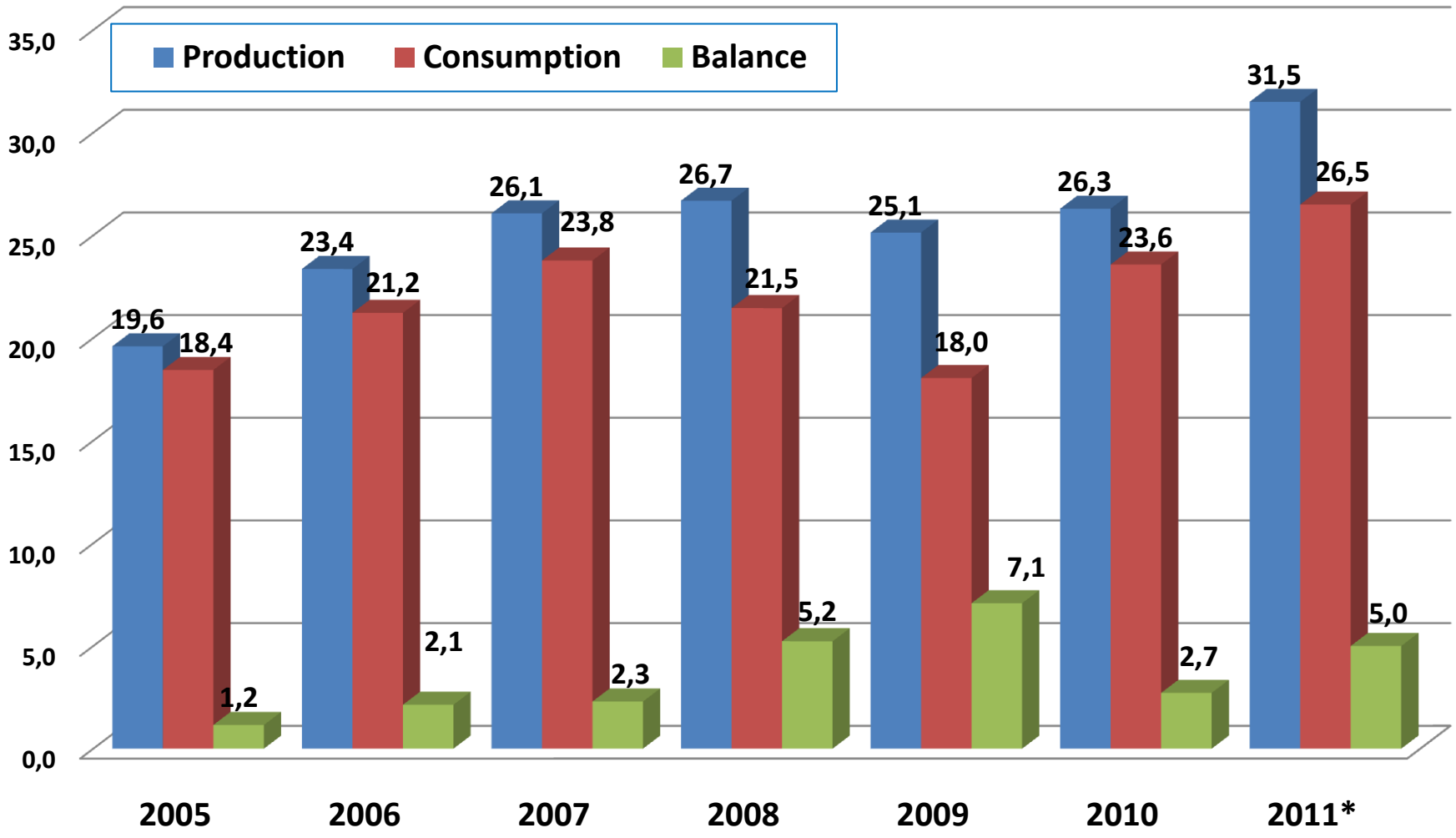


Turkey's Slab Production (million tons)



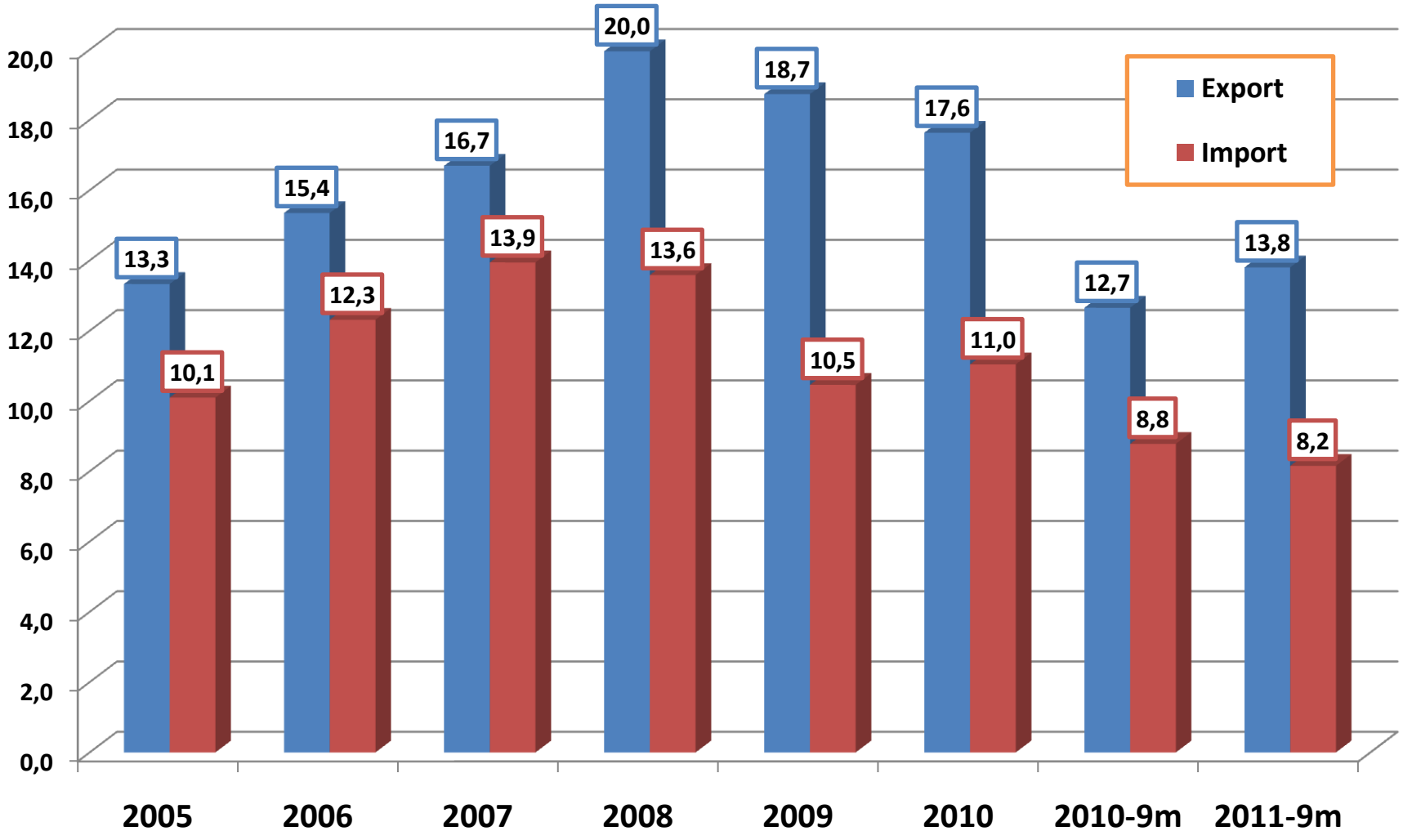
** estimated*

Turkey's Total Finished Steel Production and Apparent Consumption (million tons)

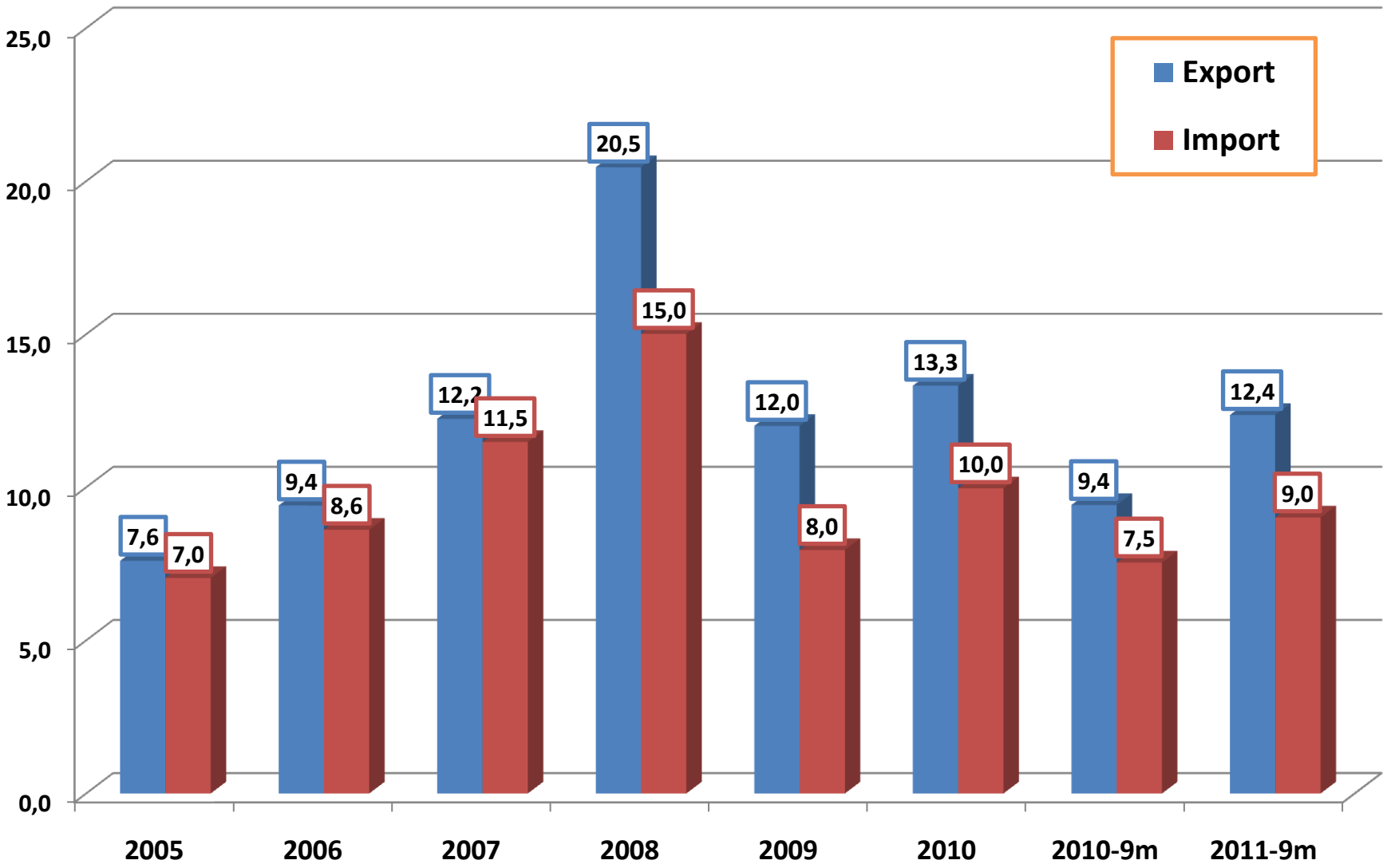


** estimated*

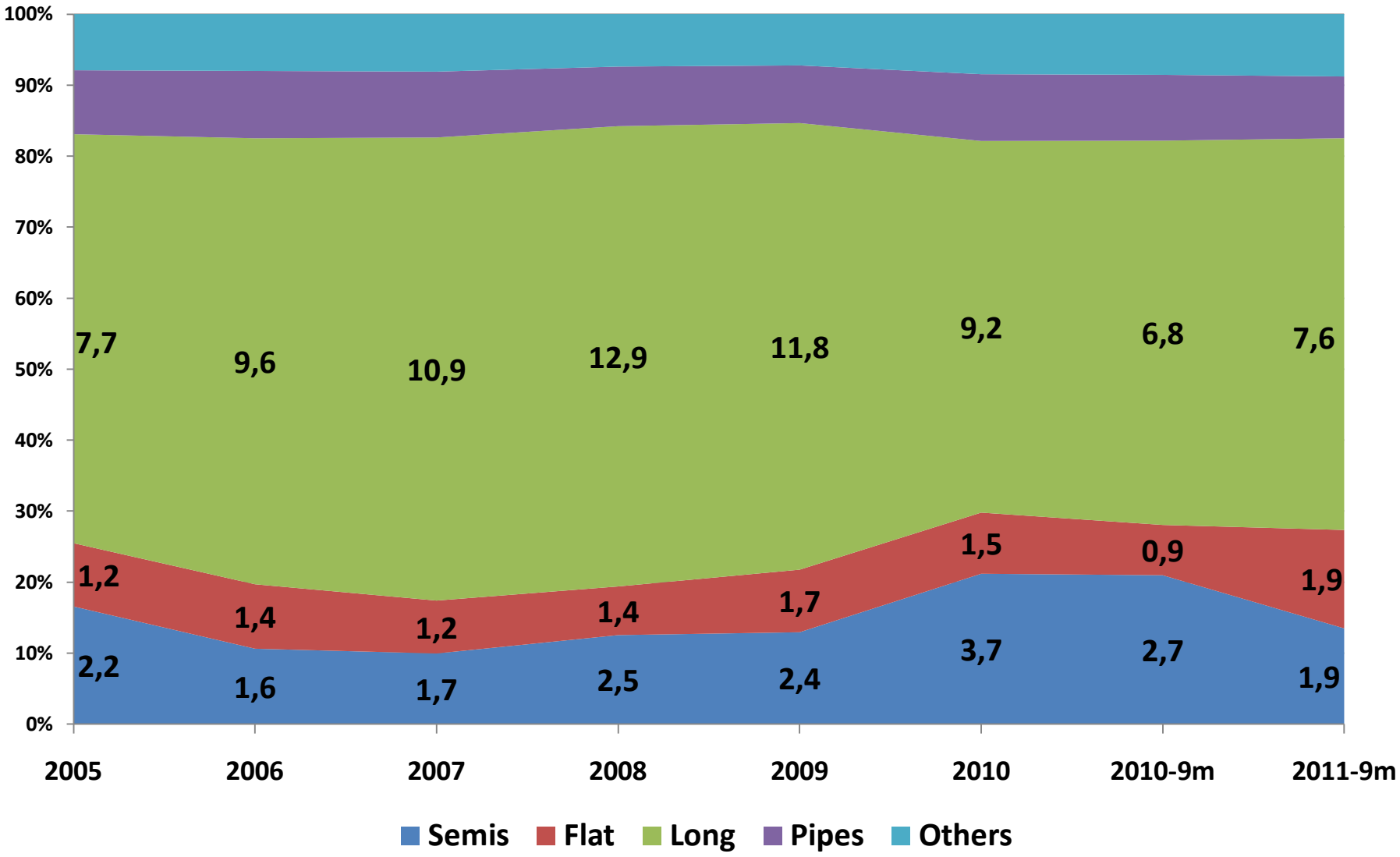
Turkey's Total Steel Export & Import (million tons)



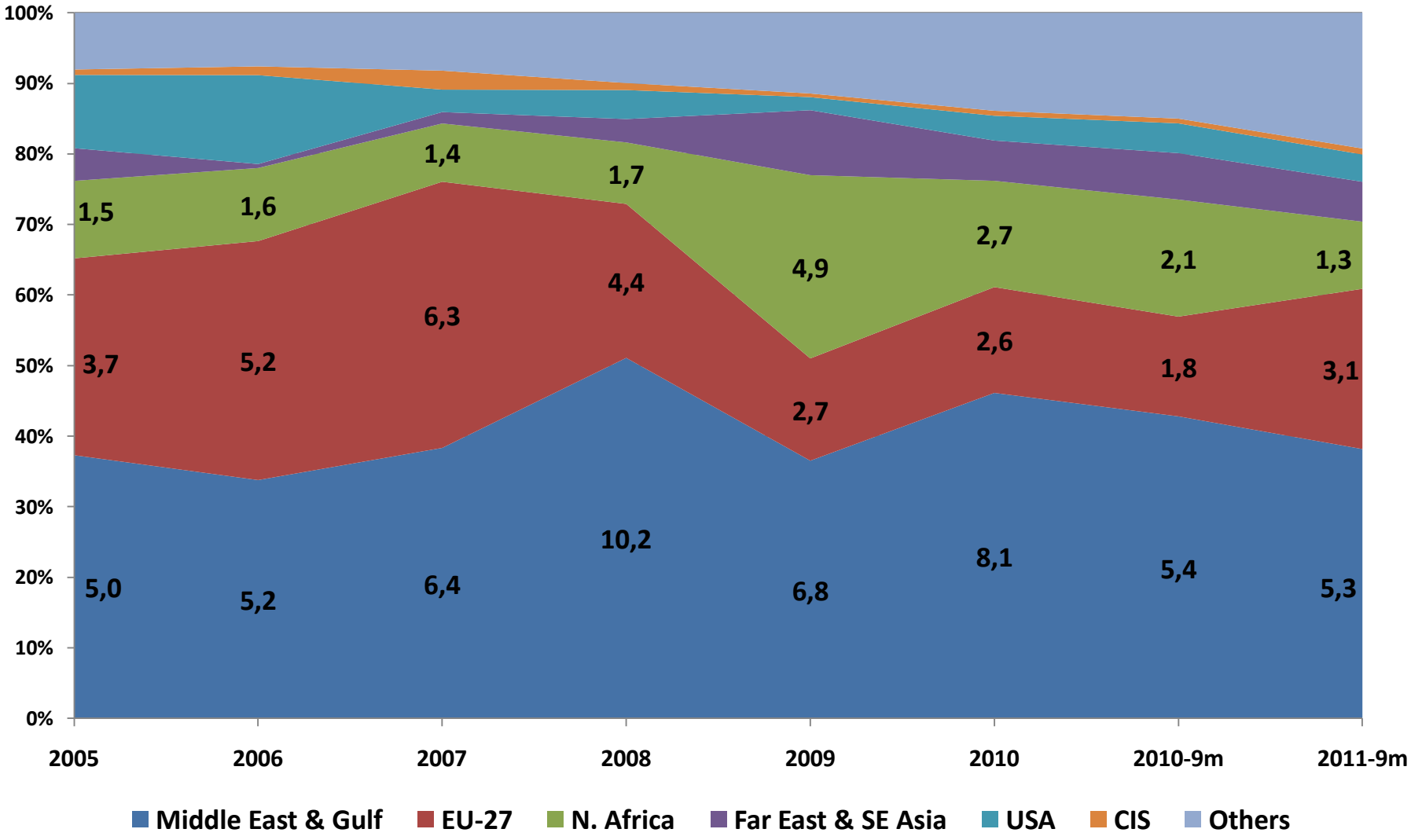
Turkey's Total Steel Export & Import (Billion USD)



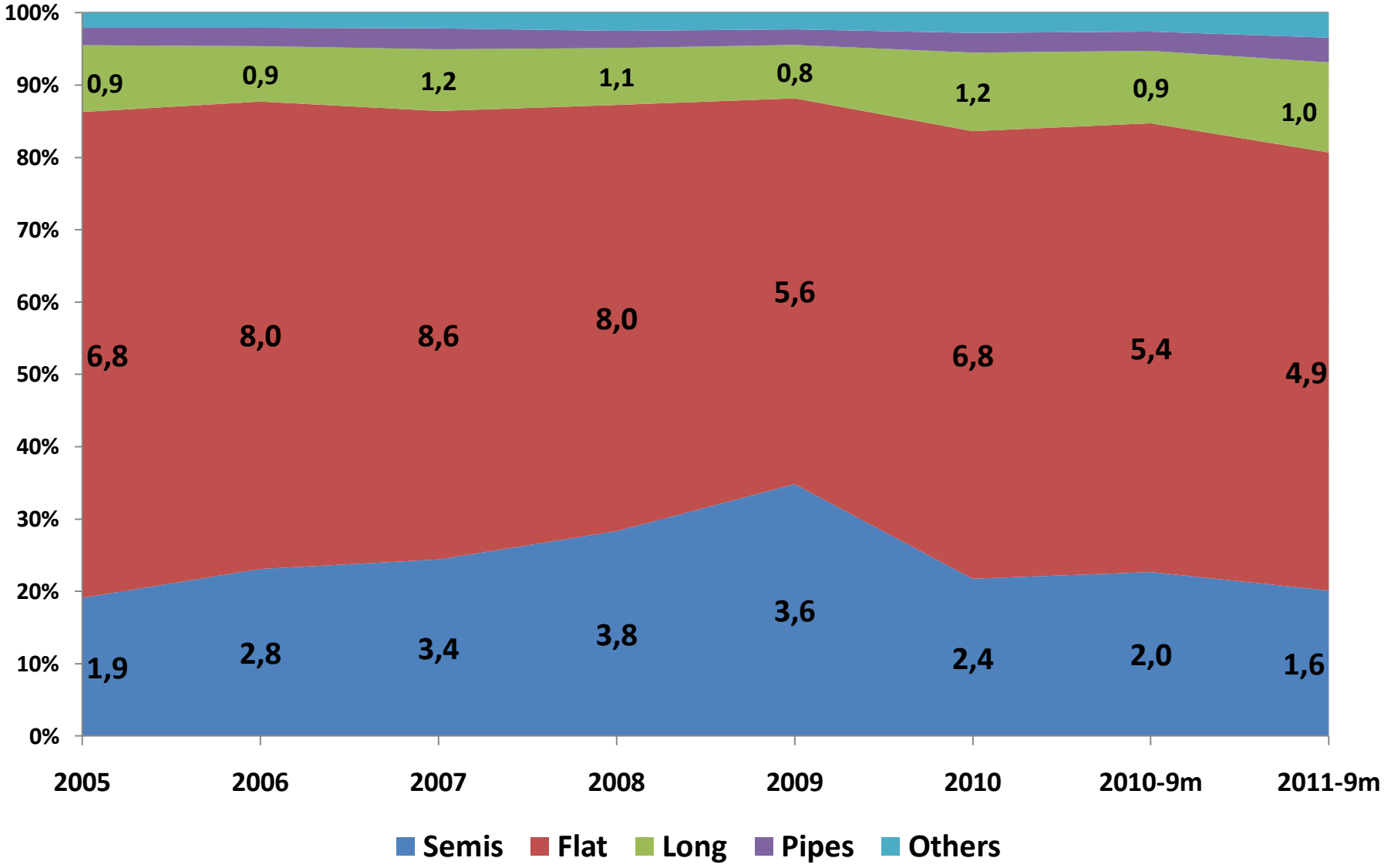
Turkey's Total Steel Export by Products (million tons)



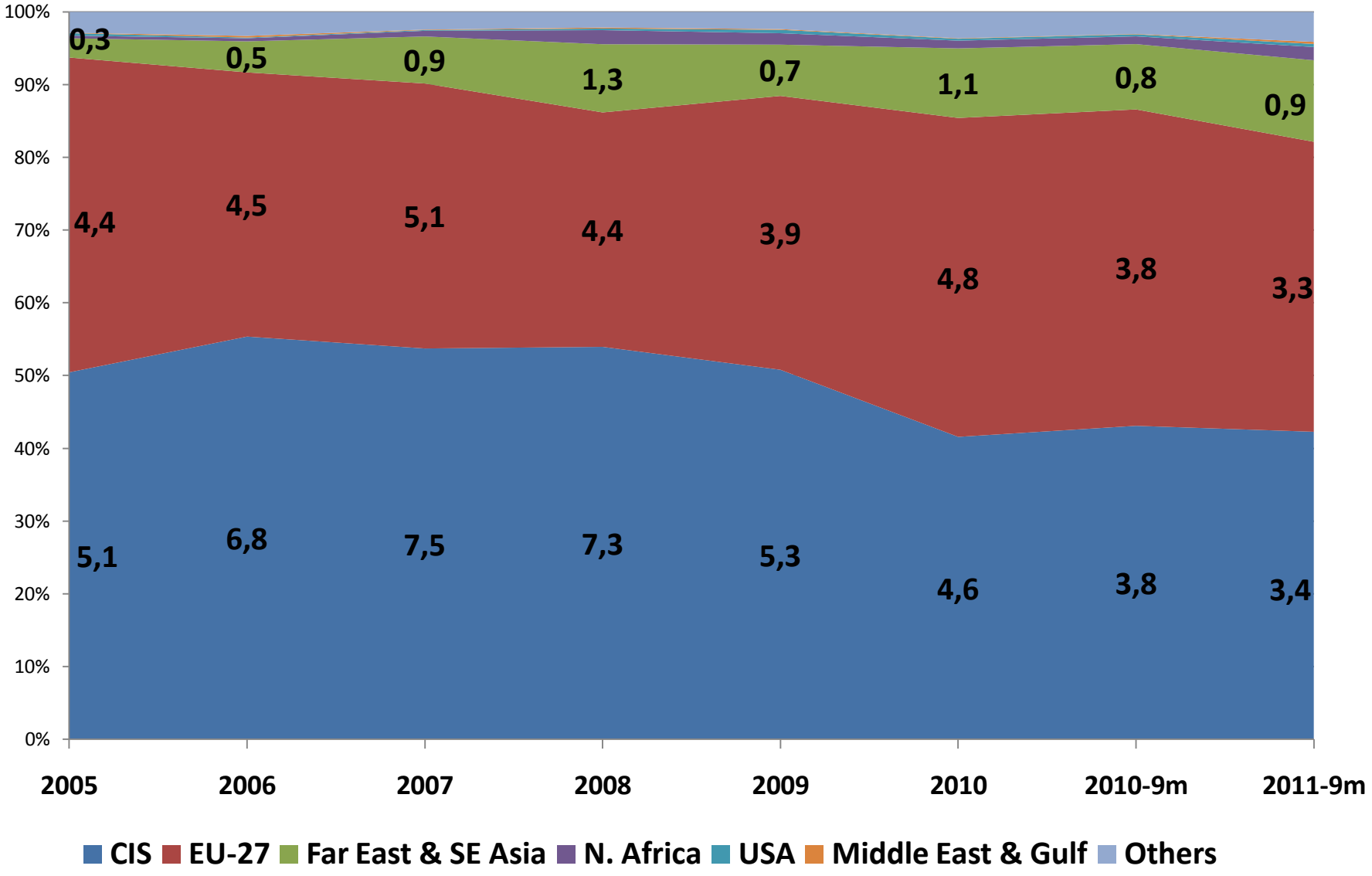
Turkey's Total Steel Export By Regions (million tons)



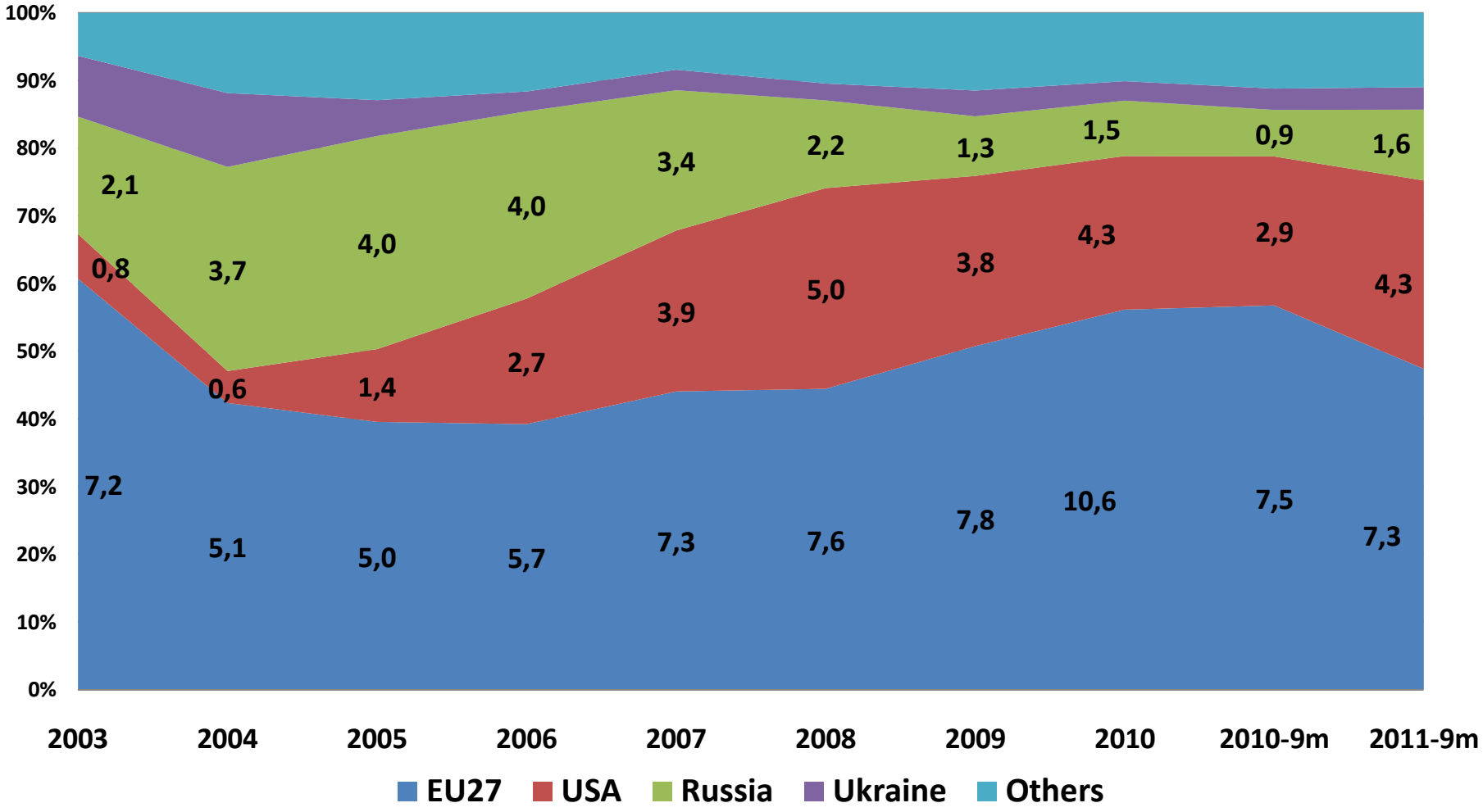
Turkey's Total Steel Import (million tons)



Turkey's Total Steel Import By Regions (million tons)



Turkey's Total Scrap Import By Regions (million tons)



Conclusions

- Turkey is a dynamic economy with a fast growing steel industry.
- Dependency on imports in raw materials will stay as one of the main challanges.
- Recent investments to flat steel, quality steel, structural steel and stainless steel will enable Turkish steel industry to have a better production and trade structure and help Turkish steel industry to serve the domestic and export markets better.
- Investments to new products which are basically imported will increase the contribution of the steel industry to the elimination of the foreign trade and current account deficit.
- Considering the growing tendency of the steel using sectors in Turkey and enlarging product range, Turkish steel industry will grow in a more balanced structure in the future.

Conclusions

- Turkish steel industry has been practicing market diversification strategy due to the rapid changes in market conditions.
- In 2010 and 2011, Turkish steel industry balanced its losses in main export markets by focusing on neighbouring countries, South America and Far East markets.
- Despite increasing capacities, Middle East and North Africa will stay as important export destionation for Turkish steel in the medium term.
- Slab casting investments of some long steel producers also relieved the pressure on long steel exports.