Mexico’s Economic and Steel Market Update.

Global Forum on Steel Excess Capacity

Jul 2020
COVID-19 on Mx Raw steelmaking capacity

Raw Steelmaking Capacity Utilization

Canacero’s forecast shows a 53% Steel capacity use during 2020.

Fuente: CANACERO according with GFSEC data
Finished steel production for 2019 and 2020 shows a significant drop.
Mexico is not the exception and is going through an economic crisis, it is estimated that by the end of 2020 GDP will fall 10.5%
Mx manufacturing sector

ISM Manufacturing Index

Value chains for different manufacturing sectors have seen their demand affected.
Conclusions

Covid19 affected supply chains around the world and new normal is to come with steel excess capacity unsolved:

- Mexican steel industry fully endorses USMCA commitment against unfair trade and Transshipment

- Mexico has the challenge to rebuild the economy after effects caused by the pandemic such as:
  - -10.5% Gross Domestic Product
  - Almost 20% drop in steel production
  - Imports account for 43% of the steel market share