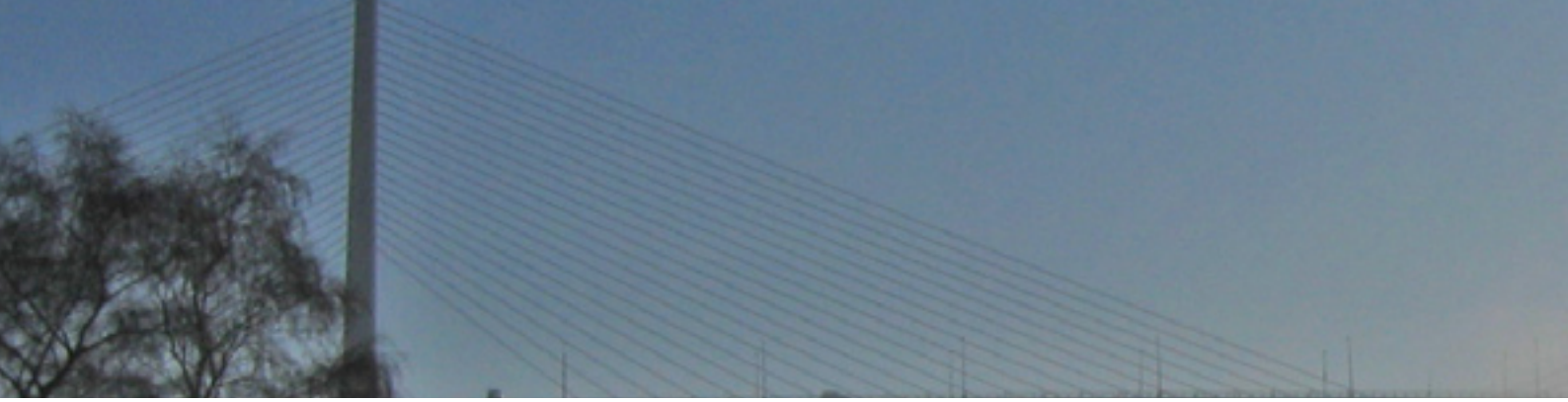
EUROFER

European Confederation of Iron and Steel Industries

2008 | Annual Report



Steel is one of the most attractive, most robust and most sustainable materials in the world. Thousands of different types of steel facilitate and improve our daily lives in innumerable applications. Steel sets trends in lifestyle: it is the material of design and innovation in many aspects of our lives, for example in vehicles, buildings, medical devices and household equipment. Steel is also 100% recyclable and therefore contributes significantly to the long-term conservation of fundamental resources for future generations.

EUROFER, the European Confederation of Iron and Steel Industries, founded in 1976, and located in Brussels, represents 100% of steel production in the European Union. Its members are steel companies and national steel federations throughout the EU. The major steel and national steel federations in Switzerland and Turkey are associated members.

The objectives of EUROFER are the co-operation amongst the national federations and companies in all matters that contribute to the development of the European steel industry, and the representation of the common interests of its members vis-à-vis third parties, notably the European institutions and other international organisations.

The European steel industry's annual revenues total about 190 billion Euros, it directly employs 420 thousand people and produces about 200 million tonnes of steel per year. More than 500 steel production sites in 22 EU Member States provide direct and indirect employment and a living for millions of European citizens.

For more information, please consult our website:

www.eurofer.eu

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Karl-Ulrich Köhler
President

Gordon Moffat
Director General

Introduction

After four years of above-average growth, the global economy started the year 2008 again with a satisfactory performance. However, the economic crisis which followed the financial turmoil in the US market soon began to spread to the rest of the world. In Europe industry in particular suffered from the rapidly intensifying decline in investment and exports. This had a disastrous effect on order books in the automotive industry, engineering and construction sectors and their supplier networks. As a result, steel demand weakened sharply from mid 2008 onwards with double-digit declines in real and apparent steel consumption in the final quarter of the year. The whole situation worsened in the first quarter of 2009 and is expected to improve only slightly in the course of the year.

Rising steel demand in the emerging economies more than off-set the impact of the downturn in the US market in the first half of 2008. The resulting increase in global steel production caused a pronounced spike in prices for raw materials in this period, with iron ore rising by 65%, coking coal by 200% and scrap by around 100%. Nevertheless steel producers around the world were generally speaking able to align their product prices with the price-hike in raw materials.

However, as the financial market crisis intensified in 2008 - impacting heavily on liquidity and consumer and business confidence - and with steel consumers having filled up their stocks in anticipation of further price rises and still benign business conditions in the remainder of the year, a sharp correction in the steel market in the second half of the year was inevitable.

Rapidly declining orders compelled European steelmakers to drastically reduce production in the last months of the year, as it had become obvious that the global economy was heading towards its biggest crisis in 60 years. In December crude steel production decreased by staggering 26.2% year-on-year. Overall, EU crude steel production decreased by 5.7%, from 210 million tonnes in 2007 to 198 million tonnes in 2008. Total steel deliveries declined by almost 25% in the fourth quarter and overall by 4.3% in 2008.

On the climate front, there was great concern when, in January, the Commission adopted its proposal for the revision of the EU Emissions Trading System (ETS). With a view to the Bali climate change conference in December, the EU institutions and the Member States made it clear right from the beginning that the legislative procedure would be terminated by the end of the year, providing ambitious unilateral European commitments as a driver for the international negotiations.

The proposal had clearly the potential to remove steelmaking from Europe, as it failed to provide certainty and the right instruments for securing a level playing field for European steelmakers with competitors from non-EU countries. After long and difficult negotiations with the EU institutions and the Member States we finally achieved amendments which would help avoid the worse consequences of the policy on our competitiveness, although the impact will still be severe. Amongst the most important amendments to the proposal are the provisions for 100% free allocation for sectors at risk of carbon leakage, based on benchmarks, free allocation for CO_2 emissions from process gases being used for electricity production, and the compensation for ETS-related increases in electricity costs.

Enormous additional efforts will be needed to secure a satisfactory application of these instruments, in particular in the case that the Copenhagen negotiations for a post-Kyoto climate change agreement in December 2009 do not lead to an international level playing field.

Karl-Ulrich Köhler **Gordon Moffat**

General Economic Development

The year 2008 started on a positive note for the global economy, notwithstanding mounting evidence that during the year the main economic regions would be increasingly affected by the intensifying financial market turmoil and its impact on liquidity and lending, equity markets and confidence in general. While in the US economic momentum had already weakened significantly in late 2007, it was still generally expected that the developing world in particular would be able to escape a severe downturn in 2008.

This appeared to be confirmed by data from the first quarter of 2008 showing that in the BRICs (Brazil, Russia, India and China) and particularly in the OPEC countries, economic growth had remained at an overall satisfactory level, supported by strong domestic demand and healthy intra-Asia trade compensating for slower demand from the US. At this point in time, the rapid increase in prices for oil, food and commodities fuelling inflation was seen as the major threat to global growth during the remainder of the year.

By mid 2008, however, inflationary concerns were overshadowed by recessionary fears as the credit crisis had deepened further, spreading from the financial sectors into other parts of the global economy leading to a rapid reduction in private consumption and corporate investment and, consequently, to falling international trade and a synchronised drop in global industrial production.

By the end of 2008, the developed world had largely shifted into recession while growth in the emerging countries had decelerated markedly or had already become negative. As a result, world GDP growth slowed down from 3.8% in 2007 to 2.3% in 2008.

The outlook for 2009 is highly uncertain as the global economy appears to have entered the worst financial and economic crisis in the post-war period. Due to its specific background and its geographical scope, the current downturn is extremely difficult to put into an historic perspective. Therefore, there is hardly any benchmark for the depth and duration of the economic crisis. Nevertheless, rescue plans and stimulus packages are expected to soften the downturn to some extent.

In line with global trends, GDP growth in the European Union slowed down markedly during 2008. Supported by exports and investment, GDP growth still amounted to 2.5% in the first quarter of the 2008. In particular Germany, its neighbouring trading partners and most Central European countries performed strongly. The second quarter saw a significant reduction in economic growth as investment, exports and household consumption declined compared with the first quarter of the year, reflecting strengthening global headwinds, rising inflation and fading internal EU dynamics.

GDP data for the second half of 2008 confirmed that the EU had slid into recession. In December 2008, the EU economic sentiment indicator reached its lowest level since the series was launched in January 1985. The rapidly deteriorating situation on the EU labour market had a notable affect on consumer confidence. In addition, industrial confidence slumped to fresh lows at the end of 2008. Order intakes in industry were increasingly hurt by the global recession and credit supply restrictions. Export demand for capital and intermediate goods weakened rapidly, which was aggravated by the lack of export credit insurance. All EU countries registered sharp declines in industrial activity since autumn 2008 with particularly the automotive industry and its supplier network badly affected.

On balance, despite positive growth in the first half of the year, overall 2008 output growth in the EU steel-using industries fell by 1.5%. The outlook for 2009 is for a sharp decline in industrial activity.

Steel Market

Crude steel production

In 2008, crude steel production in the EU declined by 5.7% to 198 million tonnes from 210 million tonnes in 2007. This was entirely due to a 26.2% year-on-year cut in output in the final quarter of the year made in response to the drastic deterioration in steel market conditions in the EU and elsewhere. EU production accounted for a 16% share in total global production.

Crude steel production ('000 metric tonnes)
Source: EUROFER

	2004	2005	2006	2007	2008	% share of EU 2008
Austria	6530	7031	7129	7578	7594	3,8
Belgium	11698	10420	11631	10692	10673	5,4
Bulgaria	2090	1949	2102	1909	1330	0,7
Czech Republic	7033	6188	6860	7057	6387	3,2
Finland	4833	4739	5052	4431	4418	2,2
France	20770	19481	19852	19250	17879	9,0
Germany	46374	44524	47224	48550	45833	23,2
Greece	1967	2266	2416	2554	2477	1,3
Hungary	1952	1958	2084	2241	2097	1,1
Italy	28604	29350	31624	31553	30590	15,5
Latvia	662	688	690	696	635	0,3
Luxembourg	2684	2194	2802	2858	2582	1,3
Netherlands	6848	6919	6372	7368	6853	3,5
Poland	10593	8444	10008	10632	9728	4,9
Portugal	1400	1400	1400	1400	1400	0,7
Romania	5930	6150	6170	6137	4917	2,5
Slovakia	4439	4485	5093	5089	4489	2,3
Slovenia	566	583	628	638	641	0,3
Spain	17684	17826	18391	18999	18640	9,4
Sweden	5949	5692	5435	5635	5164	2,6
United Kingdom	13766	13226	13886	14317	13520	6,8
EU 27	**202371**	**195514**	**206850**	**209583**	**197846**	**100**

Supply-demand balance

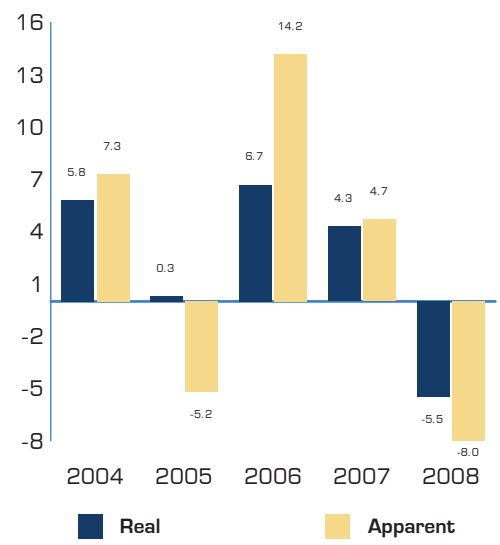
In terms of steel market conditions, 2008 has been a year of extremes. While the business situation in the key steel using sectors remained satisfactory until mid 2008 with most companies reporting still healthy order books and high capacity utilisation rates, the sharp deterioration in the global and EU business environment in the second half of 2008 caused new orders to dry up rapidly and output to decline in most sectors. The most badly affected sectors were construction and, in particular, the automotive industry and its supplier network, but momentum in the other sectors also weakened dramatically. Although, during the first half of 2008, real steel consumption in the EU remained slightly above the very high level reached in 2007, a sharp downward trend developed over the second half of the year. Consequently, this resulted in the real consumption falling by

Steel Market

more than 10% year-on-year in the fourth quarter of 2008. On balance, real steel consumption fell by 3.2% in 2008.

As far as the supply side of the EU steel market in the first half of 2008 is concerned, apparent consumption did not match the extremely high levels registered in 2007. Imports into the EU declined compared to the very high levels registered in 2007. With steel stocks assessed to be high but largely in balance with healthy activity in the steel distribution chain and at end-users, stock building did not provide any stimulus to apparent consumption. However, in the second half of the year the accelerating decline in real steel consumption, together with a huge inventory reduction in the distribution chain and at the end-user level getting underway, caused apparent steel consumption to fall massively, with the final quarter of 2008 registering an unprecedented 20.9% year-on-year drop in apparent consumption. Apparent consumption in 2008 was 7.2% down on 2007.

Real and Apparent Consumption: Yearly Variation (in %)
Source: EUROFER



Trade

Following the substantial decline in third country imports entering the EU27 during the first half of 2008, the year-on-year reduction in import volumes during the second half of the year was much more modest. Despite this reduction, there was a rising trend in actual volume terms over the first 3 quarters that, again, resulted in imports reaching high levels in the third quarter of 2008.

Chinese suppliers in particular increased their deliveries to the EU market from the start of 2008, mostly noticeable for Hot Rolled and Cold Rolled coils, organic coated sheets and wire rods.

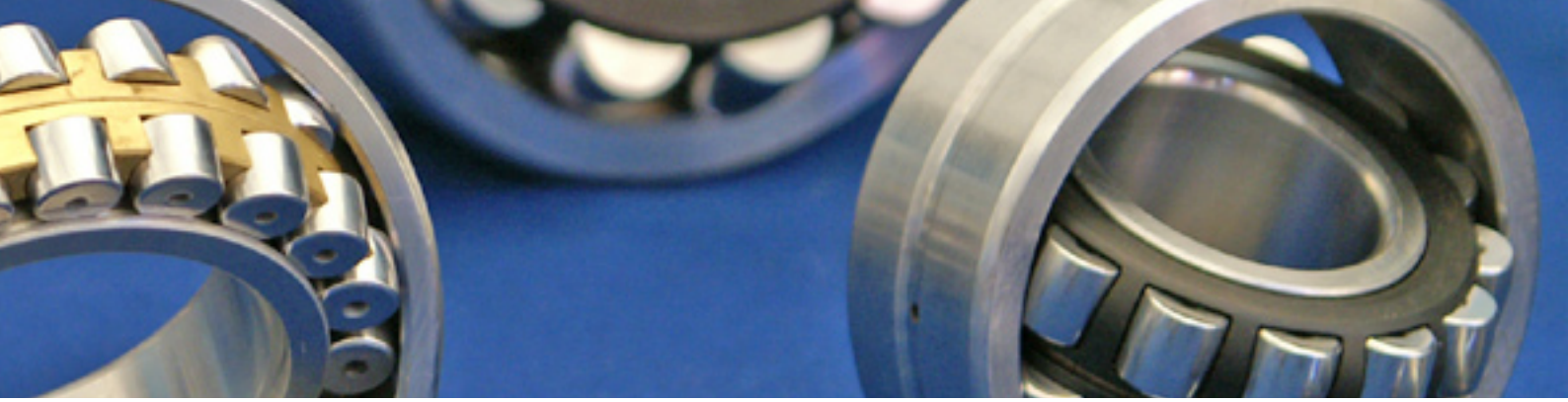
This, together with slowing demand, has been a major factor in steel inventories reaching their highest levels since autumn 2008.

In the final quarter of last year, however, third country imports diminished from their quarter 3 peak level as strongly reduced buying interest from the distribution chain and end-users also affected third country suppliers. In quarter 4 of 2008, imports fell by 7.1% year-on-year to a level that was more than 20% below that in the preceding quarter. Nevertheless, total imports still accounted for almost 18% of the EU market in this period.

Customs figures for the EU show that total steel imports from third countries into the EU27 decreased by 7.2% in 2008.

Exports by EU27 mills to third countries declined significantly towards the end of 2008, having mildly risen during the first three quarters of the year. This clearly reflects the drastic deterioration in the international market situation in the final months of 2008. The synchronised drop in industrial activity across the developed and emerging countries led to a serious weakening in global steel market demand fundamentals. This in turn triggered a rise in competitive pressures as international exporters started to seek more actively for potential outlets. All in all, exports fell by 6.9% in 2008.

For the third year in a row, the EU showed a negative net trade balance of 1.2 million tonnes.



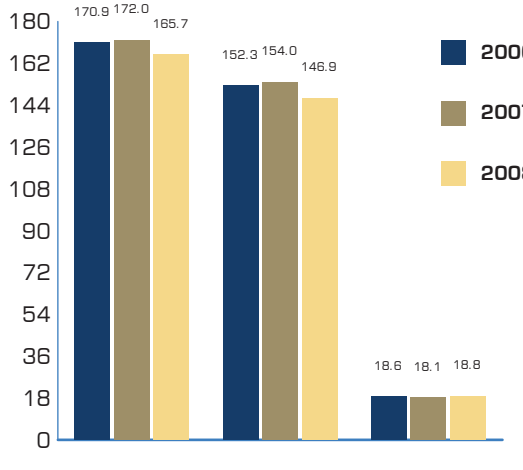
Deliveries of Steel (all qualities except stainless steel)

In line with the evolution of the supply-demand situation, deliveries from domestic producers in the EU market kept their strength in the first half of 2008. However, during the remainder of the year, as demand in the EU became increasingly affected by the global economic and financial crisis, domestic deliveries declined significantly due to EU producers seeking to balance the weakening demand with a reduction in supply. This resulted in domestic deliveries falling by almost 25% year-on-year in the final quarter and by 4.6% for the whole year.

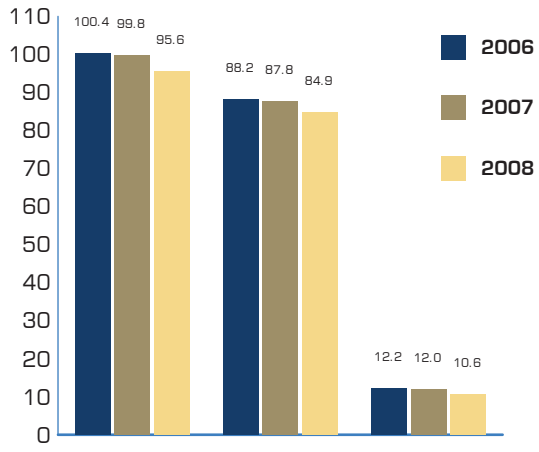
Owing to a 3.9% rise in export deliveries, total deliveries declined by 3.7%.

Total Steel Deliveries	**- 3.7%**
of which to the EU27 market	- 4.6%
of which to export markets	+3.9%

Carbon Steel: Total Deliveries (million tonnes)
Source: EUROFER



Carbon Steels: Flat Products Deliveries
(million tonnes)
Source: EUROFER



As far as flat products are concerned, total 2008 deliveries fell by 4.2%. Deliveries by EU mills to the domestic market were 3.3% down on the volume delivered in 2007. There was a sharp drop in deliveries of flat products to export markets outside the EU27.

While all flat products deliveries registered very sharp declines in the final quarter of 2008, hot-rolled coils and hot-dipped metal coated sheets were particularly affected.

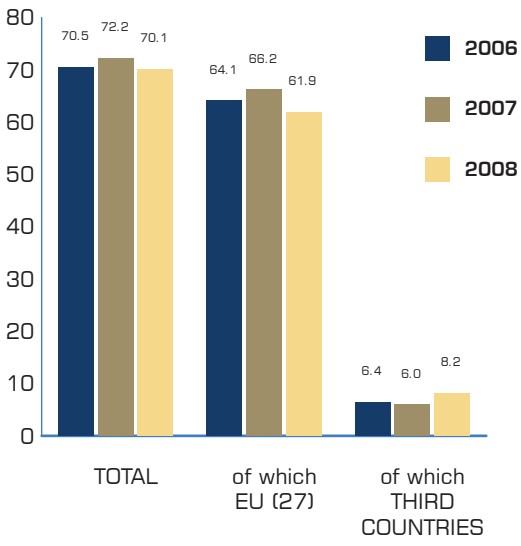
Total Flat Product Deliveries	**-4.2%**
of which to the EU27 market	-3.3%
of which to export markets	-11.7%

Steel Market

Long product deliveries were marginally less negative than those of flat products: total deliveries fell by 2.9% compared to 2007, with domestic deliveries 6.4% down and export deliveries rising by 36.7% compared with 2007. Most EU mills were forced to step up exports to overseas markets in the second half of 2008 as demand from the EU construction sector dried up rapidly due to the housing sector correction in Spain, the UK and Ireland as well as the negative impact of the economic and financial crisis on construction spending.

Total Long Product Deliveries	**- 2.9%**
of which to the EU27 market	- 6.4%
of which to export markets	+36.7%

Carbon Steels: Long Products Deliveries
(million tonnes)
Source: EUROFER

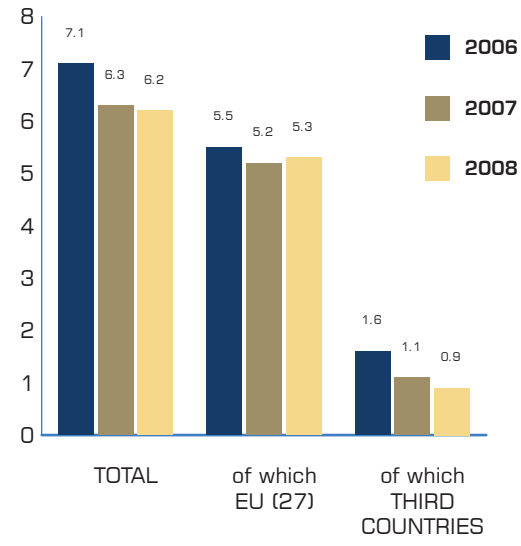


Stainless Steels

Whilst stainless steel apparent demand in Europe was still reasonably good during the first part of the year 2008, business conditions deteriorated significantly after the summer recess as a result of the strong correction of the nickel price on the LME (London Metal Exchange), the widespread uncertainty created by the global financial crisis, the credit crunch and the reduction of activity in many end-user sectors.

Combined with an accumulation of excessive inventories in the distribution chain and consuming industries, these negative factors severely impacted stainless steel demand in the fourth quarter 2008 and led to a price weakening. Reflecting this contrasted evolution, European stainless crude steel production increased by 5.6% year-on-year during the first 9 months of 2008 but dropped by 30.5% in the fourth quarter 2008 as companies adjusted output to the changed market trend. Consequently, the annual stainless steel melted volume in the EU decreased to 7.8 million tonnes, or 3.6% compared to 2007 and 16.6% below the peak reached in 2006.

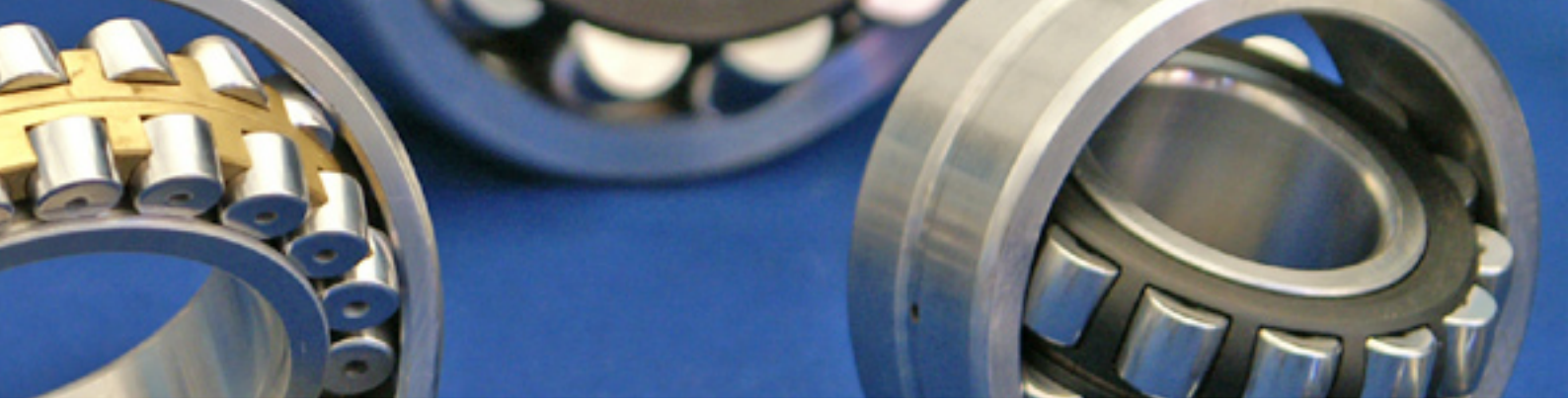
Stainless Steels: Development of Deliveries
(million tonnes)
Source: EUROFER



Market supply of stainless steel products (flat and long) in the EU decreased by 2.7% in the whole year 2008, whereby imports from third countries (especially Asia - which had been the main disturbing factor in 2007) decreased by 21.5% due to the weaker demand and the price deterioration.

Business conditions and activity levels were particularly depressed in the fourth quarter 2008 with a strong decrease of market supply (- 8% for long products and - 17% for flat products, year-on-year) and a dramatic collapse of new order bookings.

Stainless steel producers were obliged to introduce a variety of temporary or partial capacity shut downs and cost cutting measures to face this exceptional situation which continues unchanged into 2009 with no real sign of recovery to date.



Alloy Special Steels (other than stainless)

The year 2008 started well for the EU alloy special steels producers who were enjoying good order bookings, long delivery lead times and a high capacity utilisation rate thanks to sound dynamics in the major consumer industries.

Although some deceleration of demand had been anticipated for the first part of 2008, industrial activity and final consumption remained sustained in the first quarter of the year. Output in the mechanical engineering sector outperformed growth projections. Despite a declining trend, the vehicles output was still on a high level in the first months of the year thanks to robust car sales and production in the new EU Member States, as well as strong overall demand for medium and heavy trucks. The high oil prices continued to spur strong investments in the energy sector.

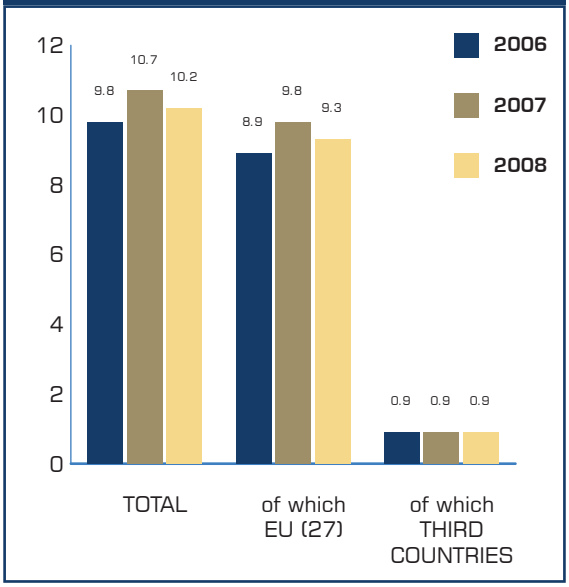
Consequently, during the first half of 2008, domestic deliveries of alloy engineering steels on the Community market grew by 3.4% year-on-year and exports outside the EU increased by 13.4%. In the same period, imports from third countries on the EU market soared by 27%, pushing the total EU market supply further up by 4 % versus the comparable period of 2007.

With the EU economy sliding fast into recession as from the third quarter of 2008 consequent to the impact of the global financial crisis on industrial production, corporate investments and private consumption, incoming orders in the alloy engineering steel sector collapsed in the September - December 2008 period to 50% of the normal level. Poor final demand, high inventories accumulated in the distribution sector with imported material and a strong stock draw along the whole supply chain drove the market supply substantially down. For the whole year 2008, domestic deliveries to the Community market decreased by 4.7%. Total shipment, including exports to non-EU markets, dropped by 4.3% compared to their year 2007 level. With short order books covering only 40 to 50% of their capacities, EU producers had no other choice than to introduce massive production cuts at the end of the year. These measures were extended into January / February 2009 as there was no clear signal of any short term improvement in apparent demand.

Other Special Steels: Development of Deliveries

(million tonnes)

Source: EUROFER



The EU producers' total deliveries of tool and high speed steels decreased slightly (- 0.5%) year-on-year in January-September 2008, whereby supplies to the EU market remained sustained at a good level (+ 3.0%) and exports to non-EU markets (especially the USA and South-East Asia) decreased by 10 %.

In the same period, the market supply of the Community grew by 7.8% year-on-year as imports of tool steels from China, Russia and some other third countries continued to rise dramatically (+ 44%). The business prospects in this highly specialised branch of the industry weakened in the 4th quarter 2008, in line with the general reduction of output in end-use sectors.

Trade Policy

EU Trade Cases

Following the filing of an anti-dumping complaint by EUROFER against imports of wire rod from China, Turkey and Moldova, the Commission initiated an investigation on 8 May 2008. On 6 February 2009, the Commission imposed provisional measures up to 24.6% on imports from China and 3.7% on imports from Moldova.

On 11 December 2008, EUROFER withdrew its anti-dumping complaint against imports of hot-dipped metallic coated sheets and narrow strip from China. EUROFER decided not to pursue the case which was based on historic data no longer reflecting the recent market turbulence, but instead to prepare for a possible renewal of unfair exports surges into the EU by means of a fresh case. In its decision of 6 February 2009, the Commission acknowledged the recent volatile market situation as well as the risk of the appearance of injurious dumping and established monitoring of imports of hot-dipped metallic coated products for a period of 2 years.

Third Country Trade Cases against the EU

Russia – Austenitic Stainless Steel Flat Products

An anti-dumping duty of 0.84 €/Kg was imposed by Russia as from 17 February 2007 on imports of austenitic flat rolled stainless steels originating in the EU. These measures should normally expire on 17 February 2010. EUROFER maintains that the imposition of anti-dumping measures was an inappropriate response to another type of problem (tax fraud) and there can be no injury from imports for a wide range of products not manufactured locally. This issue is likely to worsen in 2009 as Russian authorities have opened new anti-dumping investigations on the same product scope from five non-EU exporting countries.

India – Cold Rolled Stainless Steel Flat Products

At the end of November 2008, the Indian authorities initiated anti-dumping investigations on imports of cold rolled stainless steel flat products from the EU and seven other (non-EU) countries.

With its member companies concerned, EUROFER has closely liaised with the European Commission services, pointed at a series of shortcomings in the complaint and questioned the existence of injury and the causal link between the alleged injury and imports from the EU. Yet, the Indian authorities appear to be determined to proceed further with this anti-dumping case as a proposal of provisional anti-dumping measures was appended to the notification of preliminary findings issued at end March 2009.

Bilateral Agreements with Russia, the Ukraine and Kazakhstan

With the accession of Ukraine to the WTO on 16 May 2008, the voluntary bilateral steel agreement with this country expired ending the EU import quota the same day (1.3 million tonnes for 2008).

The EU import quota for Russia was adjusted to 3.18 million tonnes for 2008 (+151 thousand tonnes); the quota for 2009 is the original 2008 volume before adjustment plus 2.5%.

The quota for Kazakhstan remained unchanged at 250 thousand tonnes (autonomous measure).

Proliferation Third Country Steel Trade and Market Distortions

Since the G20 commitment to refrain from raising new trade and market access restrictions (November 2008), steel markets outside the EU have seen a proliferation of government interventions raising barriers against imports into the domestic market and providing incentives for exports, in response to the sudden collapse of steel demand worldwide triggered by the economic global downturn.

These interventions include a wide range of measures such as

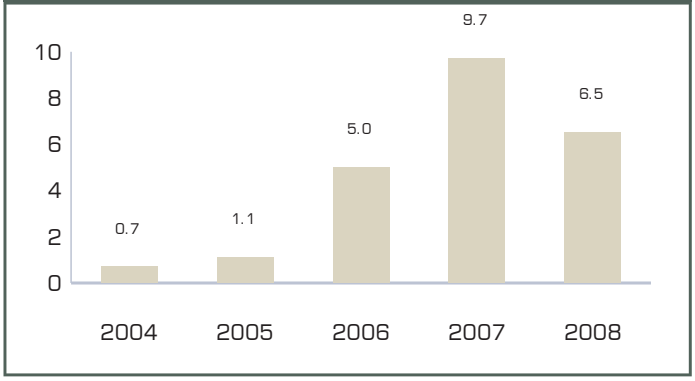
- increase of applied steel import tariffs (India, Russia, Turkey, Egypt),
- automatic licensing for steel imports made restrictive through customs control and end-use conditions (India),
- non-tariff barriers in the form of certification requirements made mandatory to importers only (India),
- temporary product-specific use of fiscal export incentives including export VAT rebates and zeroing of export taxes (China)
- the Buy America steel clause.

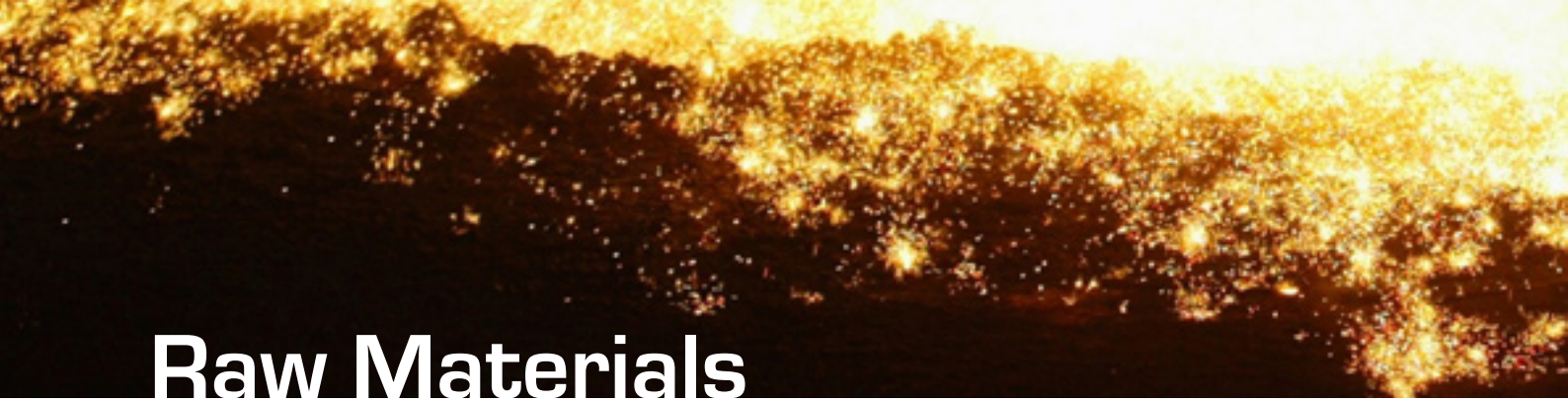
EUROFER expects a worsening of this protectionist trend which will increase the risk of massive diversion of steel towards the European market.

Consequently, EUROFER has begun close monitoring of new trade and market distortions by third countries and periodic reporting thereof to the Commission and the Member States.

EUROFER has called on the Commission to contest vigorously all protectionist measures and ensure a level playing field on steel trade including strict enforcement of the EU trade defence laws, which are crucial at a time when EU companies are restructuring and reducing supply to bring it into line with reduced demand.

EU Imports of finished steel from China (million tonnes)
Source: EUROFER





Raw Materials

Iron Ore

In 2008, the contract benchmark price for iron ore rose by 79.88% for fine ores and by 96.5% for lumps, driven by a further increase in global crude steel production during the period of negotiations which stretched out until the middle of the year. This implies that iron ore contract prices effectively more than quadrupled between 2002 and 2008. Tight supply conditions and the ores suppliers reducing the iron ore volumes for contract delivery forced steel companies to purchase an increasing share of their iron ore requirements on the spot market. As a consequence, the rise in spot prices was even higher than the reported increase in contract prices.

In the second half of the year however, the supply-demand situation changed significantly due to slowing demand growth in China and the dramatic deterioration in economic conditions in the developed world. At the same time, supply increased further as planned iron capacity additions were coming on stream. Together with a marked decline in freight rates, this resulted in a sharp fall in iron ore spot prices during the second half of the year.

China imported 445 million tonnes of iron ore - a 16% rise compared with 2007 - and accounted for approximately 53% of total seaborne iron ore exports in 2008. At the same time, domestic iron ore production in China expanded by 18% to 825 million tonnes.

Meanwhile, EUROFER welcomed in late 2008 the decision of BHP Billiton to step back from its bid to take over Rio Tinto. For more than one year EUROFER at all stages pointed out that it could not accept a merger of two of the three mining companies which dominate almost 75% of the world market for seaborne iron ore. Rio Tinto and BHP Billiton are the number two and three in the world's iron ore business after Vale (Companhia Vale do Rio Doce). The proposed merger would have given the combined company a market share of almost 40% of the seaborne iron ore market. Vale already has more than 33%. The proposed merger would have led to a too great degree of concentration and control of the market, increasing the risk of even higher prices for raw materials and of a lower incentive for mining capacity expansions.

In November, the European Commission issued a "Statement of Objections" against the proposed merger. The statement summarised the serious objections of the Commission as to the compatibility of such a merger with the common market. The provision of arguments and information by EUROFER has been a decisive factor in the Commission finding the right approach. The objections made by the European Commission have finally forced BHP Billiton to withdraw from its proposed merger with Rio Tinto.

Coking Coal and Coke

The continued rise in global steel output and supply restrictions in an already tight market translated into a price explosion of metallurgical coal in 2008. Contract prices for coking coal rose from just below $100 per tonne FoB (Free on Board) Australia to $300 per tonne. Spot prices have increased even more strongly. The major supply disruption was caused by severe flooding in the main coking coal mining regions in Australia. In addition, supply was also reduced due to mining accidents in Eastern Europe and the Sichuan earthquake in China.

On a par with raw material and commodity prices in general, coking coal and coke prices started to fall during the second half of 2008, particularly during the final months of the year. Stock at the end of 2008 are reported to be relatively high as tight supply and rising prices encouraged steel producers to increase inventories where possible earlier in the year. The significant reduction in global steel production in the final quarter of 2008 implies they have a significant buffer, allowing them to apply a wait-and-see attitude before

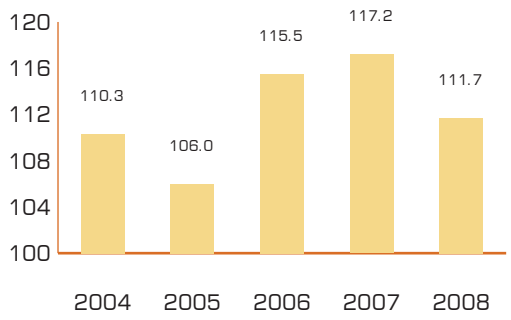
coming back into the market again.

Global consumption of metallurgical coal amounted to almost 885 million tonnes in 2008, which implies a 7% rise compared with 2007. China's share in global consumption increased further to 61%. China is so far almost self-sufficient in coal. However, in the longer run China could increase the imports of metallurgical coal primarily for the coastal steel mills as domestic supply will increasingly be impacted by stricter environmental and safety regulations.

In terms of seaborne trade, the steel industry is confronted with a similar situation in coking coal as in iron ore. Rio Tinto and BMA, a joint venture of BHPB and Mitsubishi, control almost 50% of the hard coking coal seaborne market.

Scrap

Scrap: EU Consumption (million tonnes)
Source: EUROFER



Scrap prices rocketed in the first half of 2008, pushing the price for E3 grade scrap FoB Rotterdam from just below $300 per tonne at the end of 2007 to around $650 per tonne at the end of the second quarter of 2008. The key drivers for the significant increase in scrap prices have been raising demand and tight supply conditions.

Turkey continued to be the biggest scrap buyer in Europe; its scrap requirements increased by over 20%, to 7 million tonnes during the first half of 2008.

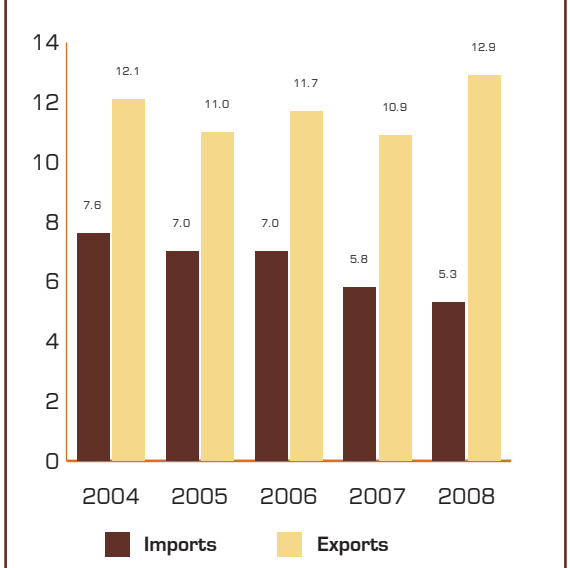
Meanwhile, deliveries from Russia, the key supplier in Europe, declined by almost 50% year-on-year in that period due to strong domestic growth in electric arc steelmaking and the lack of investment in port infrastructure. Ukrainian exports were lower for the same reasons.

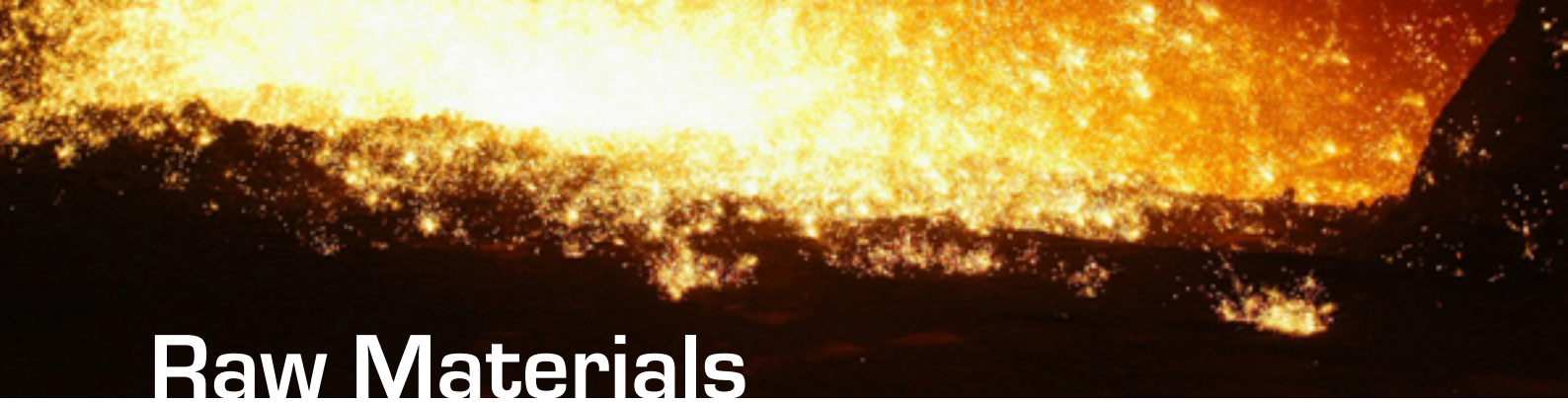
The increasing difficulty in obtaining scrap resulted in producers trying to optimise costs and consumption, effecting substantial changes in the melt shop and the mix: this led to a greater demand for high quality E3 grade scrap, which further exacerbated supply shortages and the upward trend in prices.

However, in the second half of 2008, scrap prices came down at an even stronger pace as the impact of the economic and financial crisis increasingly affected the steel value chain. Due to global steel producers aggressively reducing output in the final months of 2008, the E3 grade scrap price had fallen back to just above $100 per tonne in November 2008.

Total scrap consumption in the EU amounted to approximately 111 million tonnes in 2008, a 5% decline compared with 2007 due to the significant cuts in output during the second half of the year.

Scrap: Imports and Exports (EU27/million tonnes)
Source: Comext - Eurostat

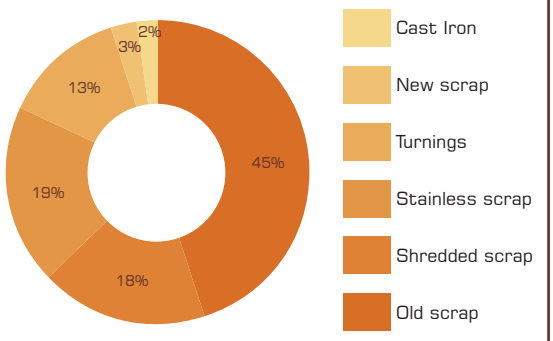




Raw Materials

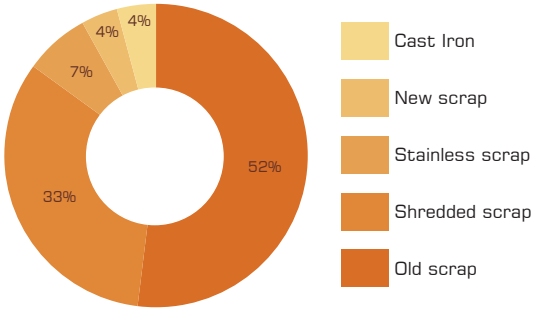
EU27 Imported Scrap by Grade

Source: Comext - Eurostat



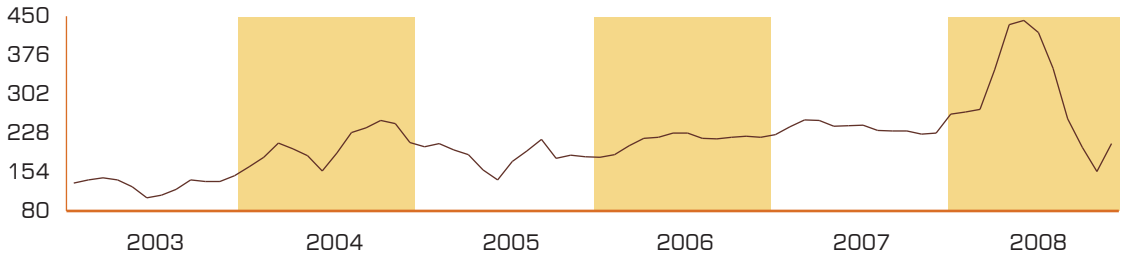
EU27 Exported Scrap by Grade

Source: Comext - Eurostat



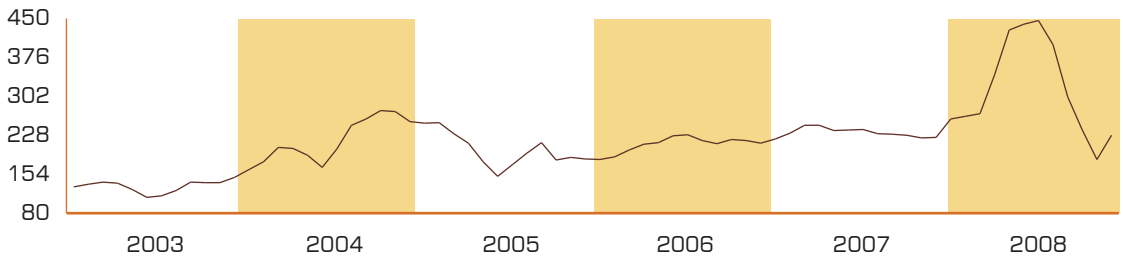
Scrap - Demolition Quality: Price EU Market (€/t)

Source: EUROFER



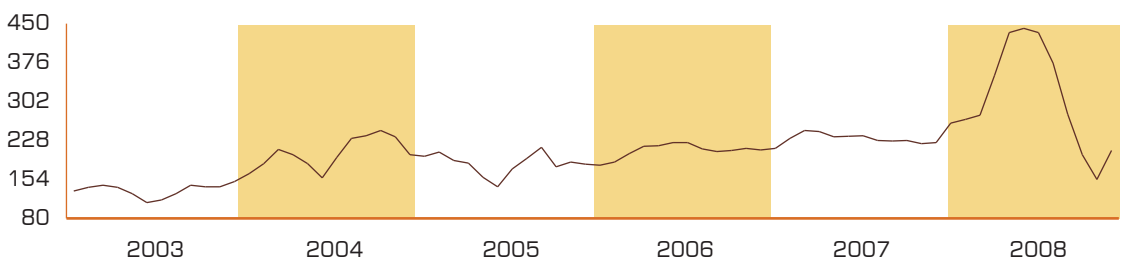
Scrap - New Arisings: Price EU Market (€/t)

Source: EUROFER



Scrap - Shredded: Price EU Market (€/t)

Source: EUROFER



Environment & Technology

Environment

Climate change

Revision of the EU Emissions Trading System (EU ETS)

One of EUROFER's top priorities throughout 2008 was the Commission proposal for the revision of the EU Emissions Trading System.

The co-decision procedure between the European Parliament and the Council started in January. The Commission was strongly involved in the negotiations right from the beginning as the three EU institutions agreed to adopt the directive before the end of the year, using it as a driver for the international climate change negotiations in Bali in December 2008. This put an enormous pressure on all stakeholders as time was short and with negotiations held by small political groups behind closed doors the transparency of the whole process came into question. This became particularly obvious in the European Parliament where many MEPs complained that they had been kept out of the decision making process. Nevertheless, EUROFER had a good access to most of the key political players and was amongst the most visible stakeholders.

EUROFER strongly criticised the shortcomings of the proposed directive as they created a huge uncertainty for investment and their implementation would have been a serious blow to our industry's international competitiveness. Of particular concern were (i) the possibility of 50% auctioning for steel making in 2013 as no free allowances were foreseen for process (waste) gases used for electricity production; (ii) the threat of a full auctioning regime; (iii) the possible requirement to reduce CO_2 from steelmaking by about 40 to 50% in 2020 compared to 1990 instead of the 20% objective set by the Council in 2007; (iv) no compensation for ETS related increases in electricity costs and thereby disincentives for steel recycling; (v) a total lack of production growth resulting in carbon leakage; (vi) a disincentive to early action; and (vii) full penetration of the home market by non-EU competitors.

In its advocacy EUROFER promoted a fair balance between climate change measures and the competitiveness of the European industry through the continued allocation of free allowances for sectors exposed to international competition as long as no international or global sectoral agreement is in force that provides for an equal footing of industrial competitors.

By the end of the co-decision procedure, the concept of free allocation by benchmarks for sectors proven to be under leakage risk had been further clarified by the introduction of leakage risk criteria, thresholds for these criteria, more focused stipulations for the benchmarks by which free allowances will be allocated and the definition of two sub-caps under the ETS-cap (one for the manufacturing industry and one for the power sector).

Until an effective international agreement with comparable measures by other industrialised countries is concluded, sectors at risk of carbon leakage will now receive in full 100% free allowances of their respective benchmarks.

The major achievement was without doubt the possibility of free allowances for waste gases. This alone may save at least 50% of the costs for integrated steelmaking. This achievement is all the more remarkable as EUROFER was the only sector federation advocating this and, although strongly supported by the European Parliament, the Council only in the very last minute accepted the amendment.

While the Commission proposal contained only a vague reference to the possibility for compensation for ETS related increases in electricity costs, the final directive is now strengthened by specifically giving Member States the option to grant such compensation. This is crucial for the competitiveness of the steel industry's

electricity-intensive electric arc furnaces.

However, not all shortcomings of the directive could be solved. It is foreseen that the year 2009 will require a further intensification of EUROFER's engagement in climate policy related issues. Since the ETS directive only contains procedures for implementing the special support measures for industry and not the measures themselves, final success will depend on the full participation of EUROFER in all relevant comitology streams, activities on sectoral agreements and co-decision processes.

The main issues to be targeted in 2009 are equivalent to the issues during co-decision: leakage risk, benchmarking, compensation, international and sectoral agreements.

Integrated Pollution Prevention and Control (IPPC)

Revision of the IPPC Directive (Industrial emissions)

On 21 December 2007, the Commission released its proposal for a recast Industrial Emissions Directive. According to that proposal, a derogation is needed to set Emission Limit Values (ELVs) in the permit of an installation that falls outside the Best Available Techniques Associated Emissions Levels (BATAELs) established in the Best Available Techniques Reference Documents (BREFs) guidance.

The European Parliament's draftsman (rapporteur) of the file proposed amongst other things the establishment of a so-called European Safety Net (ESN) which sets EU minimum requirements; no ELV in the permit can be set above the ESN.

EUROFER and the IPPC Alliance of Energy Intensive Industries have been and are still very active on this important file. At the invitation of the EP rapporteur, a successful industry event was organised in the European Parliament that gathered together a number of Members of the European Parliament (MEPs) and Commission representatives. Meanwhile, EUROFER and its members explained their position and the issues for the iron and steel industry to MEPs and members of the IPPC Council Expert Working Group. Currently, there is a growing consensus between the Member States to make the BREFs binding and yet maintain flexibility for permitting. EUROFER and a majority of the Member States raised concerns about the development of an ESN, while the Commission also registered its disapproval.

Furthermore, EUROFER has strongly opposed any proposal for a SO_2/NO_X emission trading system or CO_2 ELVs for large combustion plants. As the Commission, European Parliament and Council have diverging views, it is highly unlikely that there will be an agreement by mid-2009. Mid-2010 appears to be a more likely time frame by which an agreement may be expected.

EUROFER and the IPPC Alliance continue to support the underlying principles of the current IPPC Directive for permitting: an integrated approach with operating conditions based on Best Available Techniques (BAT), taking environmental objectives, cross-media effects, local conditions and economic aspects into account in a balanced manner. The new proposal will come into force between 2012 and 2016 at the earliest. Given these circumstances, continued and even increased activities will be needed from EUROFER, the IPPC Alliance and BusinessEurope in order to secure an acceptable final outcome.

Waste

Revision of the Waste Framework Directive

The co-decision process between the European Parliament (EP) and the Council on the revision of the Waste Framework Directive ended in June 2008 with an agreement in second reading. EUROFER was very active in

the second reading, discussing both with members of the European Parliament and representatives of the Council.

The revised Waste Framework Directive sets a clear five-step "hierarchy" of waste management options according to which prevention is the preferred option, followed by reuse, recycling, other forms of recovery and with safe disposal as the last recourse. It also clarifies a number of important definitions, such as recycling and recovery. In particular, it draws a line between waste and by-products and defines when waste has been sufficiently recovered to cease being considered as waste. Criteria for the "end-of-waste" status will have to be developed via comitology procedure*. For this purpose the Commission has already requested a preliminary study that will propose a general methodology analyzing the principles by which the criteria should be set. The study includes three pilot cases, steel scrap and certain slags were among the materials selected for their potential suitability.

The Waste Framework Directive entered into force in December 2008 and Member States have to transpose it into national law by December 2010.

* Comitology: Commission led implementing measures

Water

Directive on Environmental Quality standards for surface waters

The proposal for a "Directive on Environmental Quality Standards (EQS) in the field of water policy" was adopted in second reading by the EP and the Council in 2008. The final text took into account some of the main EUROFER concerns and recognized that

- Complete "cessation" of discharges of naturally occurring substances is impossible
- Mixing zones (previously called transitional areas of exceedance) near the points of discharge are needed
- Natural backgrounds as well as water quality parameters that affect the bioavailability of metals may be taken into account when assessing compliance of metals with EQS

In 2008, the Commission has also started the technical work for the revision of the list of priority substances and the EQS values.

Soil

Proposal for a Directive for the Protection of Soil

In November 2007, the proposal for a Directive establishing a framework for the Protection of Soil was voted in its first reading in the EP. However, the Council did not agree on a common position as several Member States regard soil protection as a national, rather than a European, issue (in accordance with the principle of subsidiarity). EUROFER supports this view.

In 2008, the French Presidency reopened the discussions and presented a new proposal that received insufficient support from Member States.

Environment & Technology

NO_x and SO_2 trading

In December 2007 the Commission published a Communication "Towards an improved policy on industrial emissions" COM(2007) 843 final, expressing the intention to work on possible EU rules for an emission trading scheme on NO_x and SO_2.

Further to this, the Commission published prior to summer 2008 the specifications for a call for tender on the study "Market-based instruments for reducing air pollution" which included an "Assessment of the possible development of an EU wide NO_x and SO_2 trading scheme for IPPC installations".

In November 2008, the Commission nominated ENTEC as the leading consultant of a consortia consisting of Met.no, Ökopol, IHE, Garrigues and EERA, to perform the study, which will last for a year. Large combustion plants (LCPs) in the iron and steel, refineries, cement, pulp and paper and glass sectors were selected as part of the study.

The sectors involved are supposed to provide the consultant with information, inter alia on emissions, activity data, abatement technologies applied, and the costs of reducing emissions. EUROFER has established a SO_2 & NO_x Trading Task Force to follow this study.

Product related Environmental Issues

Sustainable Consumption and Production

On 16 July 2008 the European Commission adopted an Action Plan on Sustainable Consumption and Production (SCP) and Sustainable Industrial Policy (SIP). The action plan is an umbrella for the single legislative proposals: the revision of the Ecodesign Directive, the review of the EU Ecolabel Directive, the review of the EMAS Regulation and the revision of the Energy Labelling Directive. The Communication on Green Public Procurement is the only formal non-binding element.

EUROFER broadly welcomes the opportunity afforded by the integration of products' entire life-cycle thinking into the proposals.

EUROFER is engaged in the political debate and will support the European Commission and its experts during the development of the implementing measures. Final adoptions of the legislative proposals are expected in the first half of 2009.

Revision of the Annex of the RoHS Directive

The European Commission has contracted a consultant in order to evaluate and to assess the existing exemptions listed in the Annex of the Directive on the Restriction of Hazardous Substances (RoHS). The entry 6 of the annex is exempting leaded steels up to 0.35% lead by weight. In order to keep this important exemption for the steel industry, EUROFER worked closely together with the consultant carrying out the assessment, providing information and arguments, arranging meetings with other stakeholders. According to the evidence the consultant has recommended to keep the exemption. The proposal for adaptation of the annex by the Commission is expected by the end of 2009.

The EU Chemicals Policy

REACH

In 2008, the EUROFER REACH secretariat was established together with several REACH Clusters (internal discussion forums) that meet on a monthly basis and a REACH Implementation Working Group (a forum for discussion with external interests on iron and steel) that meets every two months. As a result of the decision made not to host a global Iron and Steel Platform, the International Pig Iron Association (IPIA) established the so-called Iron Platform. The EUROFER REACH Forum works in conjunction with the Iron Platform and its secretariat. For example, the data gap analysis for iron and iron compounds is a project jointly funded by the Iron Platform and EUROFER. It is anticipated that further studies or testing - that may be needed for the registration dossier for iron will be jointly funded by the Iron Platform and EUROFER.

EUROFER and its members developed an EU master list on the pre-registration of substances, a list of steel related REACH consortia, 12 position papers (one of them being a global steel position of which the analysis and conclusions are shared by ECHA) and a REACH Q&A document. Furthermore, an update of the existing EUROFER REACH guidance and a EUROFER REACH website (public and members only) were made. The mapping of identified uses of steel – including potential exposures associated with these identified uses – is ongoing. An important task is to secure the appropriateness of the risk assessment for steel applications. In 2009, EUROFER will take the lead in the development of harmonised exposure scenarios for iron and other substances used in steel.

Classification and Labelling - Risk Assessment

In December 2008, the Classification, Labelling & Packaging Regulation (CLP) was published (i.e. the EU version of the United Nations Global Harmonised System (GHS) for the classification and labelling of chemicals and mixtures). This regulation supersedes the existing Dangerous Substances and Dangerous Preparations Directives. As a consequence, all Classification & Labelling activities related to the risk assessments conducted under the Existing Substance Regulation ceased. These activities will in future be conducted under the REACH and the CLP Regulations

Nickel

Final approval of the environmental section of the EU Risk Assessment of nickel was granted in October 2008. Despite a strong challenge made by the Nickel Institute, the proposal to classify more than 150 Nickel compounds in the 30th and 31st ATPs (Adaptation to Technical Progress) progressed throughout 2008. Publication of both ATPs is expected in 2009. However, as Annex I of the Dangerous Substances Directive was closed with the publication of the CLP, implementation of the ATPs will be delayed until the 1st ATP of the CLP is published.

Metallic and Trivalent Chromium

Environmental Risk Assessment

On behalf of the International Chromium Development Association (ICDA), the consultants EURAS and Ecolas conducted a voluntary assessment of the environmental effects of metallic chromium and trivalent chromium compounds. A draft final risk assessment report was discussed with the contractors during November 2008.

Environment & Technology

Amendments to the executive summary were agreed and the final report will be concluded as soon as possible. Subsequent discussions focused on key studies to be undertaken as part of REACH in order to fill data gaps identified for the following environmental compartments: Aquatic, Sediment, Sewage Treatment Plants and Soil.

Eurofer Stainless Health & Environment (formerly SSPG)

During 2008, EUROFER Stainless was formed in order to provide a distinct identity and an increased profile for stainless steel within EUROFER. EUROFER Stainless covers activities related to raw materials, market, health & environment. Specific objectives for 2008 were set by the Stainless Steel Presidents and the SSPG was renamed as EUROFER Stainless Health & Environment.

Construction Products in Contact with Drinking Water (CPDW)

As each EU Member State applies its own criteria for the approval of CPDW, the European Commission has proposed a European Acceptance Scheme (EAS) in order to promote a European-wide open market for CPDW as well as ensuring a high level of health protection for EU consumers through the supply of safe drinking water.

However, as the Commission is unable to provide the necessary legal basis for the introduction of the EAS in its original form, four Member States (France, Germany, Netherlands and UK) reviewed the proposals for a CPD-EAS and reported their findings in May 2008 as follows:

Possible harmonisation of test methods as a basis for the acceptance of CPDW

Possible approximation by mutual agreement on their scheme of product acceptance, which in the interim could be achieved on a voluntary basis

Throughout 2008, the four Member States continued to work together to explore the approximation of their acceptance schemes and, in October 2008, the four Member State group presented a proposal for a CPD-EAS (i.e. limited to the essential requirements of the Construction Products Directive) for metallic CPDW and requested comments from industry.

Toxicity Potential of Stainless Steels

In response to potential changes in the EU carcinogenicity classification of metallic nickel, the International Stainless Steel Forum funded a 28-day inhalation study in animals in order to complete its investigation of the inhalation toxicity potential of nickel-containing stainless steels. In late 2008, the 28 day study report confirmed the results of in vitro toxicity studies using lung tissue and demonstrated the absence of any toxicity related to exposure to stainless steel powder in animals.

Life Cycle Inventory (LCI) on Stainless Steel

The update of the existing stainless steel LCI data continued throughout 2008 with PE International acting as the contractor. The stainless steel LCI Expert Group developed production flow models and, subsequently, a data collection was undertaken. In the meantime, a LCI database was built for stainless flat and quarto plate products using GaBi software. Due to delays in the data collection process, it is envisaged that the project will be completed by May 2009.

EIMAG (European Industry Metallic Alloys Group)

As its objectives had largely been fulfilled, EUROFER, EuroAlliages and the International Chromium Development Association took the decision to withdraw from EIMAG. As a consequence, the remaining members of EIMAG terminated its activities. A draft final Technical Guidance Document on the assessment of special preparations was made available to the European Commission for comment in early 2008 and their comments were included in a subsequent redraft.

Research

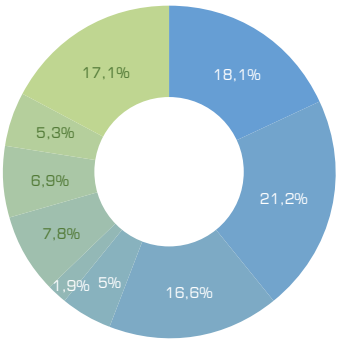
The 2008 call for the Research Fund for Coal and Steel (RFCS) generated the submission of 99 proposals, of which 34 were recommended for funding and another three put on the "reserve list". The available budget will be 38 Million Euro. Proposals in line with the Steel Advisory Group (SAG) priorities had a higher chance of success than other proposals and, finally, 50% of the selected proposals were considered to be in line with the priorities. Moreover, there is a tendency towards a larger share of product development as compared to process related research, especially visible for projects on construction and building steel applications.

Due to the revision of the Technical Guidelines, which was finalised in 2007 and which form the legal basis of the RFCS, the members of the Steel Advisory Group had to be nominated again. The revised Guidelines contain more explicit criteria for SAG membership with special emphasis of gender equality. The nomination process was coordinated by EUROFER.

Another consequence of the revised Technical Guidelines is that work commenced on the revision of the Model Grant Agreement. As SAG coordinator, EUROFER has agreed with the Commission on the installation of a joint expert group to prepare the revision. The expert group decided to base the new Grant Agreement on the Framework Program, but adapt to the smaller scale and more short-term objectives of the RFCS. In general, there is growing legal pressure for industry to increase administrative costs (which are not eligible for funding) whilst also increasing industry's final responsibility. In three sessions the joint working group made satisfactorily progress. The work will be completed in spring 2009.

Share of research themes (as represented by the Technical Working Groups (TGS) of the RFCS) on the funding budget of the 2008 call

Source: EU Commission - DG Research



- TGS 1 Ore agglomeration and iron making
- TGS 2 Steel making processes
- TGS 3 Casting, reheating and direct rolling
- TGS 4 Hot and cold rolling processes
- TGS 5 Finishing and coating
- TGS 6 Physical metallurgy and design of new generic steel grades
- TGS 7 Steel products and applications for automobiles, packaging and home appliances
- TGS 8 Steel products and applications for building, construction and industry
- TGS 9 Factory-wide control, social and environmental issues

Statistics

In 2008, Eurostat, the Statistical Office of the European Communities, launched a survey with information users in order to measure the cost and burden of the official steel statistics collected pursuant to the EU Commission Regulation 84/2004 (annual enquiries on scrap consumption, fuel and energy consumption, investments and capacities in the steel industry). These enquiries were established after the expiry of the ECSC (European Coal & Steel Community) Treaty for a transitional period finishing in 2009. EUROFER provided a comprehensive response to Eurostat, stressing the usefulness of the legal framework and the information when a meaningful feed-back is made available. The future of these statistics is now at stake.

The other set of business statistics on steel that is managed by the European Commission and Member States' administrations is covered by the PRODCOM Regulation and refers to annual production of steel products. Despite repeated efforts by Eurostat to improve the quality and timeliness of Prodcom data publication, the legislation on statistical confidentiality at national level still largely prevents a quick and useful feed-back to information users.

Against a background of shrinking statistical information on steel from official sources, EUROFER is committed to further improve its private voluntary system of monthly production and commercial surveys.

After successful harmonisation of EUROFER questionnaire formats for country and company data reporting systems and the enlargement of enquiries to the EU27 perimeter, performed as from January 2008, EUROFER devoted further efforts in 2008 to the setting-up of Intranet and Extranet sites that are designed to serve its members' information needs more efficiently. Member companies are being gradually introduced to these new tools and a widespread use of these is expected in 2009.

External trade statistics (Intrastat on intra-EU cross-border flows and Extrastat for imports/exports with third countries) remain an essential source of information for the steel industry. EUROFER is committed to the preservation and, wherever possible, improvement of these statistics.

In this field of activity, EUROFER focused on the following issues:

- Starting the revision of the modernisation proposal on the steel products chapter in the Harmonised System (HS) for submission in the next HS review cycle;
- Adressing, along with other European industrial organisations, the risk of over-simplification of the Intrastat system contemplated by the Commission and Member States;
- Monitoring of the Commission proposals regarding the revision of the current statistical system on trade with non-EU countries (Extrastat), especially on the possible impact of centralised customs clearance procedures.

Social Affairs

Since 2006, the European social partners in the steel industry, the European Metalworkers' Federation (EMF) and EUROFER, have participated in the Sectoral Social Dialogue Committee on steel, supported by the European Commission. The main role of the SSDC is to conduct in depth discussions and recommendations on topics of mutual interest. Both EMF and EUROFER share a common view on the prospects and challenges that the steel sector is facing.

Main tasks:

- The Sectoral Social Dialogue Committee should develop proposals and make recommendations, guidelines and joint opinions to contribute to policy developments both at national and European level.
- The evolution of EU social/economic regulation and consequences on employment are monitored as well as the intentions of the Commission for the steel sector.
- The Committee checks different kind of funds available at European level that could be used to promote relevant issues discussed within the Committee, and strives to promote an exchange of information with the European Commission.

In this framework, three ad-hoc Working Groups (WG) are now active in three different domains:

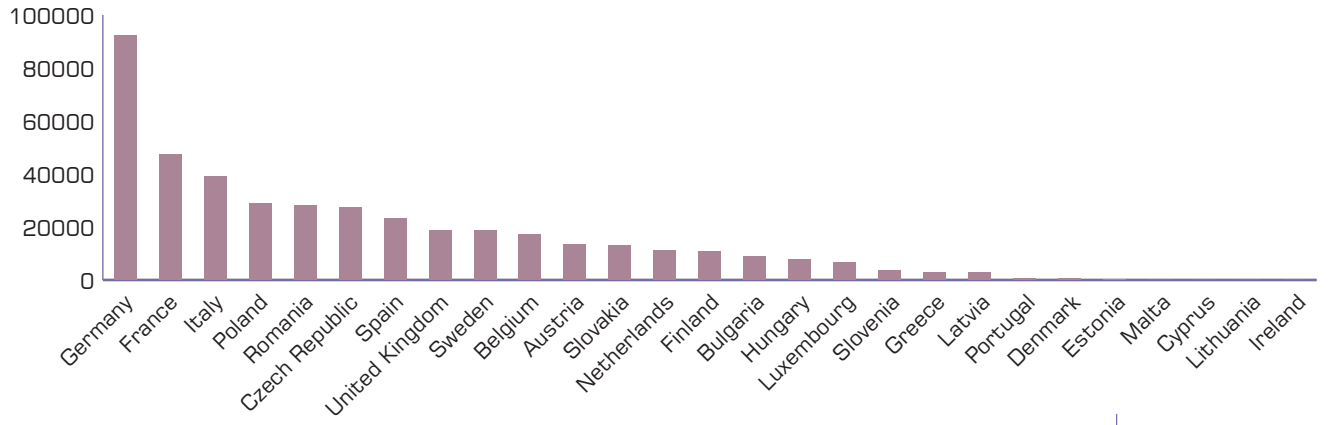
Health and Safety WG: The objective of this WG is to identify best practices within the European steel industry as regards occupational Health & Safety (H&S) at work and compare company-specific H&S processes and performances to reduce accidents and improve H&S management. Moreover in 2008, EUROFER has collected accident data from the National Steel Associations.

Structural Change WG: The aim of this WG is to monitor and evaluate the structural evolution and competitiveness of the steel industry in Europe in the light of increasing international competition. In the course of 2008, the social partners (EMF and EUROFER) developed a joint statement on the Commission's Communication on the EU Emission Trading System. In addition, research and discussions have been launched to better analyse the current situation and outlook of the competitiveness of the European steel industry.

Training WG: This Working Group became active in the beginning of 2009 and it concentrates on recruitment, retention and workforce development. The anticipation of skills needed in the sector will be a priority in the new 2009-2010 work programme.

EUROFER has also launched a collection of statistics on employment in the European steel industry.

Employment in the EU steel industry (EU 27: 422516)
Source: EUROFER



Transport

Rail freight as an integrated part of the environment

On 5th November 2008, Eurofer organised a transport freight conference entitled "Rail freight as an integrated part of the environment". Guest speakers from the Commission, European Parliament, the Member States, manufacturing industry (steel / chemicals / automotive) sectors), and the rail operators took part to the event. As a result, and in order to increase the competitiveness of rail freight within the EU, the EUROFER Transport Committee made several suggestions for the period of 2009-2012:

- Pragmatic and clear definition of the future priorities between the freight and passenger traffic, corridor by corridor, taking into account the specific situation of each one,
- Introduction of longer trains,
- Re-launch of an investment policy to promote the ITE (Installation Terminal Embranché),
- Raise awareness of politicians and railway operators regarding customer expectations,
- Invest in new carriage and related R&D (e.g. polyvalent wagons),
- Commitment to a reflection on maintaining a railroad activity within loader companies (authorized applicants)
- Re-definition of a commitment policy on the single wagon and funding thereof,
- Establish an assistance policy aiming at protecting the environment,
- Introduce competitive rail freight tariffs close to those made in the road sector.

EUROFER will continue to develop these proposals and suggestions by strong lobbying action at EU level and especially vis-à-vis the European Commission and the European Parliament.

Other topics in 2008

With regard to the general use of the 44 tonnes trucks in Europe, it is necessary to balance the need to actively fight pollution and congestion in the EU road network on the one hand and, on the other hand, to continue to develop rail as the less polluting and best adapted option of transport for the steel industry needs. In this respect, EUROFER continued to develop contacts with the European Commission and the European Parliament, as well as with the rail operators (CER, UIC, traditional and new railway companies) for a dynamic European rail freight policy, including a common approach in favour of the single wagon.

Combined modes of transport, if properly synchronised, can bring new and concrete benefits, which implies the construction of new appropriate hubs for better connection with the hinterland.

EUROFER expressed its concerns at the unilateral nature of the USA's 100% container scanning proposals. On the other hand, EUROFER is in favour of collaboration between the USA and the European Union, aiming at setting up a multilateral agreement based on confidential reciprocity.

Annexes

Directory

President	Karl-Ulrich Köhler*	-	ThyssenKrupp Steel
Board	Kirby Adams	-	Corus
	George F. Babcoke	-	U.S. Steel Kosice
	Jiri Cienciala	-	Trinecke Zelezarny AS
	Christophe Cornier	-	ArcelorMittal
	Philippe Darmayan	-	ArcelorMittal
	Wolfgang Eder	-	voestalpine
	Hans Fischer	-	Salzgitter
	Enrique Freire	-	Siderurgia Nacional
	Jean-Yves Gilet	-	ArcelorMittal
	Hans Jürgen Kerkhoff	-	Wirtschaftsvereinigung Stahl
	Gregor Münstermann	-	ArcelorMittal Poland
	Rafael Naranjo	-	Acerinox
	Valeriy Naumenko	-	ISD Dunaferr
	Elisabeth Nilsson	-	Jernkontoret
	Guiseppe Pasini	-	Feralpi Siderurgica
	Claus Raidl	-	Böhler-Uddeholm
	Juha Rantanen	-	Outokumpu
	Gerhard Renz	-	ArcelorMittal
	Fabio Riva	-	Riva Group
	Ian Rodgers	-	UK Steel
	Francisco Rubiralta	-	Celsa
	Salvatore Salerno	-	Federacciai
	Juan Sillero	-	Grupo Alfonso Gallardo
	Tibor Simonka	-	SIJ Slovenian Steel Group
	Sakari Tamminen	-	Rautaruukki
	Yury A. Tarasov	-	DanSteel
	Alexandros Tiktopoulos	-	ENXE-Hellenic Steelmakers Union
	Gonzalo Urquijo	-	UNESID
	Michel Wurth	-	ArcelorMittal
	Sergei Zaharjin	-	Liepajas Metalurgs

* President as of 01.01.2009
President in 2008: Philippe Varin, Corus

Director General	Gordon Moffat

Annexes

Members

Companies

ArcelorMittal	http://www.arcelormittal.com
Acciaieria Arvedi	http://www.arvedi.it
Acerinox	http://www.acerinox.es
Badische Stahlwerke	http://www.bsw-kehl.de
Böhler Uddeholm	http://www.bohler-uddeholm.com
Celsa	http://www.gcelsa.com
CMC Zawiercie	http://www.cmc.com
Corus	http://www.corusgroup.com
DanSteel	http://www.dansteel.dk
Deutsche Edelstahlwerke	http://www.dew-stahl.com
Dillinger Hütte	http://www.dillinger.de
Duferco	http://www.duferco.com
Evraz Vitkovice Steel	http://www.vitkovicesteel.com
Feralpi Group	http://www.feralpi.it
Georgsmarienhütte	http://www.gmh.de
Grupo Alfonso Gallardo	http://www.grupoag.es
Halyvourgiki	http://www.halyvourgiki.com
Helliniki Halyvourgia	
ISD Dunaferr	http://www.dunaferr.hu
JSC Liepâjas Metalurgs	http://www.metalurgs.lv
Lech-Stalhwerke	http://www.lech-stahlwerke.de
Lucchini Group	http://www.lucchini.it
Marienhütte	http://www.marienhuette.at
Metinvest Trametal	http://www.trametal.it
Nedstaal BV	http://www.nedstaal.nl
Outokumpu	http://www.outokumpu.com
Ovako Group	http://www.ovako.com
Riva Group	http://www.rivagroup.com
Ruukki	http://www.ruukki.com
Saarstahl	http://www.saarstahl.de
Salzgitter	http://www.salzgitter-ag.de
Sidenor	http://www.sidenor.gr
Siderurgia Nacional - Empresa de Produtos Longos SA	
SIJ - Slovenian Steel Group	http://www.sij.si
SSAB	http://www.ssab.cm
Štore Steel	http://www.store-steel.si
ThyssenKrupp AG	http://www.thyssenkrupp.com
Trinecké Železárny	http://www.trz.cz
U.S. Steel Kosice	http://www.usske.sk
voestalpine	http://www.voestalpine.com
ŽDB Group	http://www.zdb.cz

National Associations

AUSTRIA	**Fachverband der Bergwerke und Eisen erzeugenden Industrie**
	http://www.wk.or.at/bergbau-stahl
BELGIUM	**Groupement de la Sidérurgie - GSV**
	http://www.steelbel.be
BULGARIA	**Bulgarian Association of the Metallurgical Industr - BAMI**
CZECH REPUBLIC	**Hutnictvi Železa**
	http://www.hz.cz
FINLAND	**Metallinjalostajat**
	http://www.teknologiateollisuus.fi/
FRANCE	**Fédération Française de l'Acier**
	http://www.ffa.fr
	Chambre Syndicale des Producteurs d'Aciers Fins et Spéciaux
	http://www.spas.fr
GERMANY	**Wirtschaftsvereinigung Stahl**
	http://www.wvstahl.de
	Edelstahl - Vereinigung
	http://www.stahl-online.de/stahl_zentrum/edelstahl_vereinigung_e_v.htm
GREECE	**Hellenic Steelmakers' Union - ENXE**
HUNGARY	**Magyar Vas-és Acélipari Egyesülés**
	http://www.mvae.hu
ITALY	**Federacciai**
	http://www.federacciai.it
POLAND	**Hutnicza Izba Przemysłowo-Handlowa**
	http://www.hiph.com.pl
ROMANIA	**Uniunea Producatorilor de Otel din Romania – UniRomSider**
SPAIN	**Unión de Empresas Siderúrgicas - UNESID**
	http://www.unesid.org
SWEDEN	**Jernkontoret**
	http://www.jernkontoret.se
UNITED KINGDOM	**UK Steel**
	http://www.uksteel.org.uk

Associate Members

Çolakoglu Metalurji	http://www.colakoglu.com.tr
Demir Çelik Üreticileri Dernegi - DÇÜ	http://www.dcud.org.tr
Diler Demir Çelik Endüstrisi ve Ticaret	http://www.dilerhld.com/diler_demircelik/index.html
Erdemir - Ereğli Demir ve Çelik Fabrikalari	http://www.erdemir.com.tr
HABAŞ - Sinai ve Tibbi Gazlar Istihsal Endüstrisi	http://www.habas.com.tr
Içdas Çelik Enerji - Tersane ve Ulasim Sanayi	http://www.icdas.com.tr
IDÇ - Izmir Demir Çelik Sanayi	http://www.idcsteel.com
Isdemir - Iskenderun Demir ve Çelik Fabrikalari	http://www.isdemir.com.tr
Kremikovtzi	http://www.kremikovtzi.com
Swiss Steel	http://www.swiss-steel.com

Annexes

Commitees

Climate Change
Commercial Affairs
Communication
Economic Studies
Energy
Environment
European Parliament Coordination - EPCC
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