

56th Latin American Steel conference begins in Buenos Aires with the presence of industry leaders and international experts

Alacero - Buenos Aires, Argentina, November 10, 2015. The Latin American Steel Conference, Alacero-56, began this morning at the Hilton Hotel in Buenos Aires. This annual event gathers the most prominent leaders of the steel value chain in Latin America.

With an attendance of more than 700 people and the presence of Horacio Rodríguez Larreta, Elected Chief of Government of the City of Buenos Aires, the Alacero-56 Conference was officially open. During the opening ceremony, Martín Berardi, President of Alacero and CEO of Ternium Siderar (Argentina), welcome the participants and referred to the issues that concern the steel value chain and that will be part of the debates during the next two days.

Martín Berardi referred to the challenging situation that the steel and metal-mechanic industries are facing today, both in Latin America and in the rest of the world. This crisis is rooted on the overcapacity installed in China, which is a consequence of its centrally planned economy, and currently reaches 425 million tons, 6.5 times the annual output of Latin America. Faced with excess output and the inability to close plants due to political and social reasons, Chinese steel companies –state-owned and governed by a logic that does not respond to a market economy- have aggressively sought for new destinations in the international markets; even drawing upon unfair trade practices.

The consequences for the steel industry in our region are clear: production lines closures, discouraged investment, financial problems and job losses. Furthermore, “the penetration of the Chinese products all along the steel value chain is replacing intra-regional trade and eroding regional integration”, Berardi continued.

Then he called on Latin American governments “to put high political priority” to the problem of unfair trade in the region and carefully consider the risks of accepting the change of status of China (now properly considered non-market economy) at the World Trade Organization in December 2016.

“It is necessary to achieve the required public-private coordination to face competition from subsidized products and dumped prices, as those arriving from China”.

Alacero-56 Conference will continue today and tomorrow and will focus on understanding the economy of the region, identifying how a context of economic recession is affecting customers and suppliers, increase our knowledge of the situation of the steel industry in each Latin American and share strategies developed by each of them.

After the opening ceremony, Daniel Novegil, member of Alacero Executive Committee and CEO of Ternium, presented a diagnosis and a series of proposals for the industrialization in Latin America, based the study on “Metal-Mechanic Chain in Latin America”, sponsored by Alacero. During his presentation, Novegil proposed a list of recommendations for industrial aimed at building an economically sustainable future for the region.

“It’s important to build more integrated value chains in Latin America, strengthening local businesses and exploiting the industrial network of each country, with specialization and complementation. Investment in R&D and education are also key to the development of industries that generate quality jobs and productivity “- said Novegil during his presentation.

Some other activities that will take place during the Conference include ExpoAlacero 2015, a trade exhibition where steel companies, suppliers and customers show their innovations, products and services. The Steel Sculptures Exhibition -that this year celebrates 10th anniversary- is entitled “Ten Years. Ten Sculptures” and displays important works of the notable sculptors in steel Sebastian (Mexico) and Jorge Gamarra (Argentina).

More information about Alacero-56 at <http://buenosaires56.alacero.org>

About Alacero

Alacero –Latin American Steel Association- is the organization that brings together the Steel Value Chain of Latin America to promote the values of regional integration, technological innovation, corporate responsibility and social and environmental sustainability. Founded in 1959, Alacero is formed by 49 companies of 25 countries, whose production –of about 70 million annual tons- represents 95% of the steel manufactured in Latin America. Alacero is a Special Consulting Organization to the United Nations and is recognized as International Non-Government Organization by the Republic of Chile, host country of Alacero’s headquarters.