



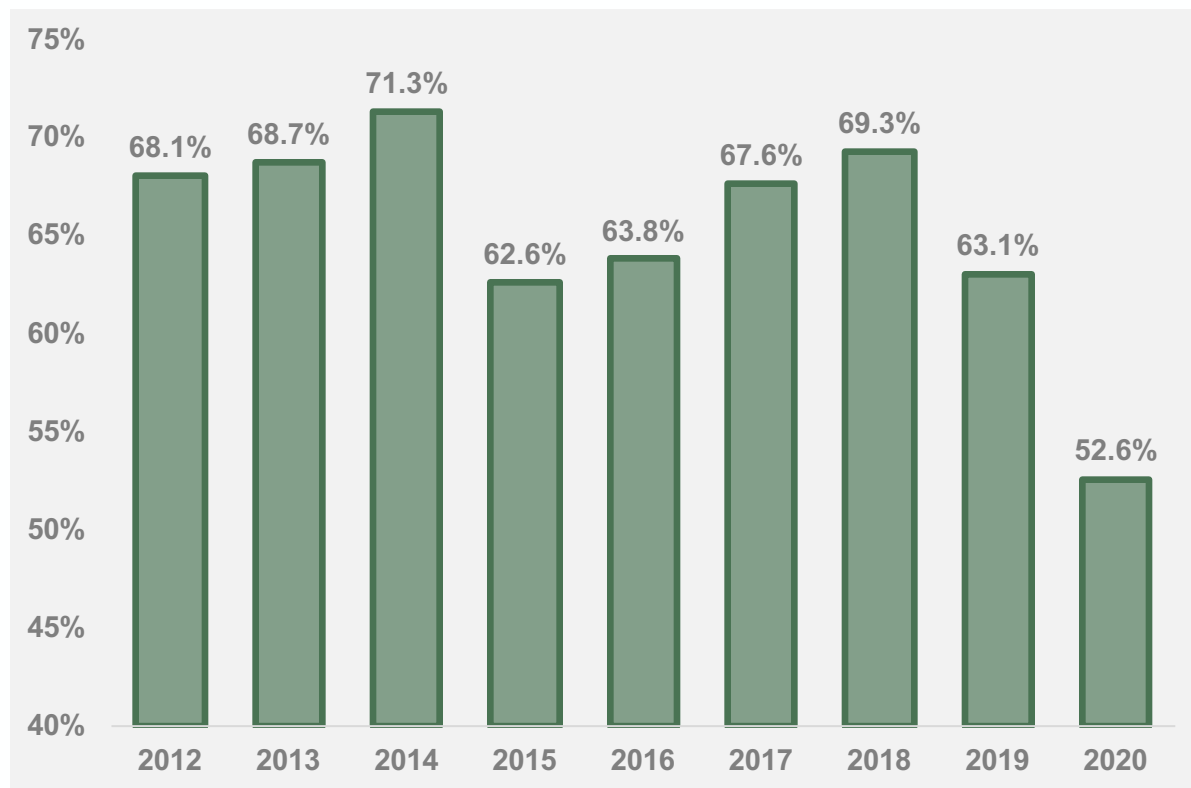
CANACERO  Cámara Nacional de la
Industria del Hierro y del Acero

Mexico's Economic and Steel Market Update.

Global Forum on Steel Excess Capacity

COVID-19 on Mx Raw steelmaking capacity

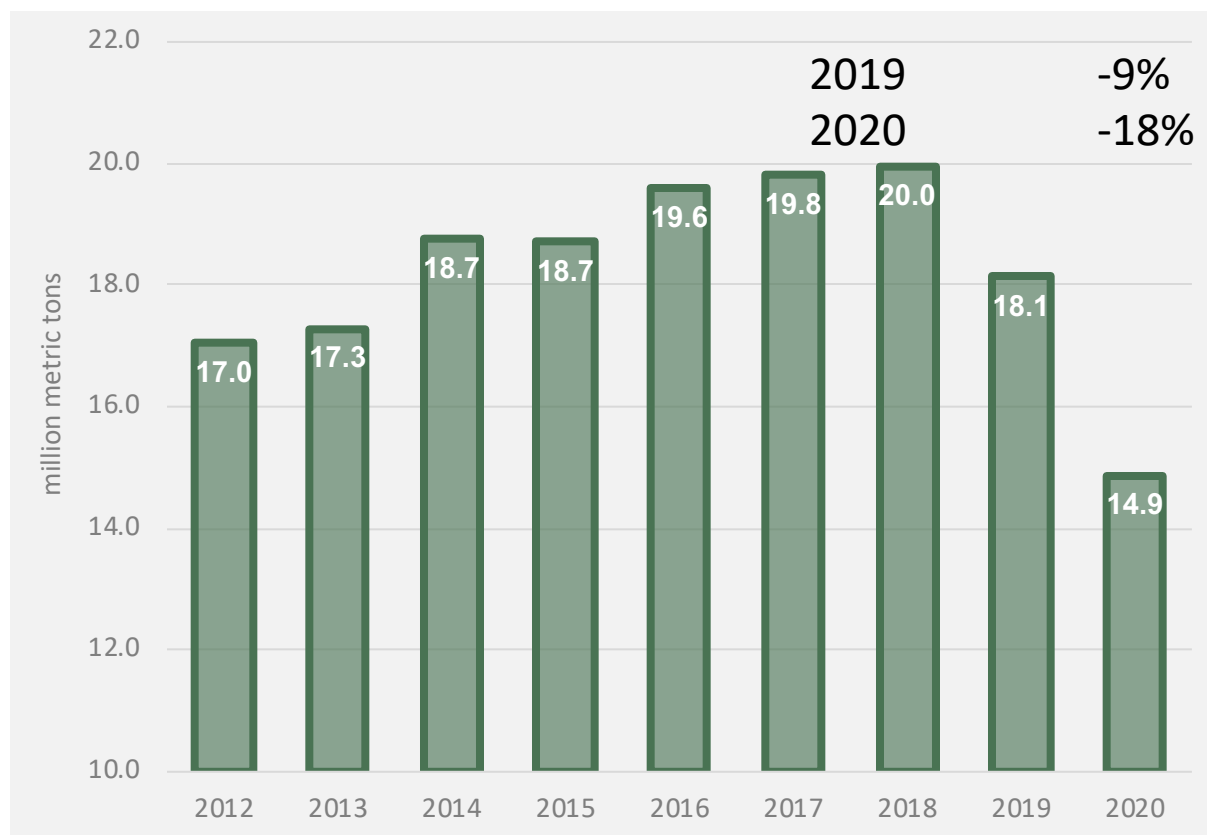
Raw Steelmaking Capacity Utilization



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

Mx Steel Production: - 18% 2020

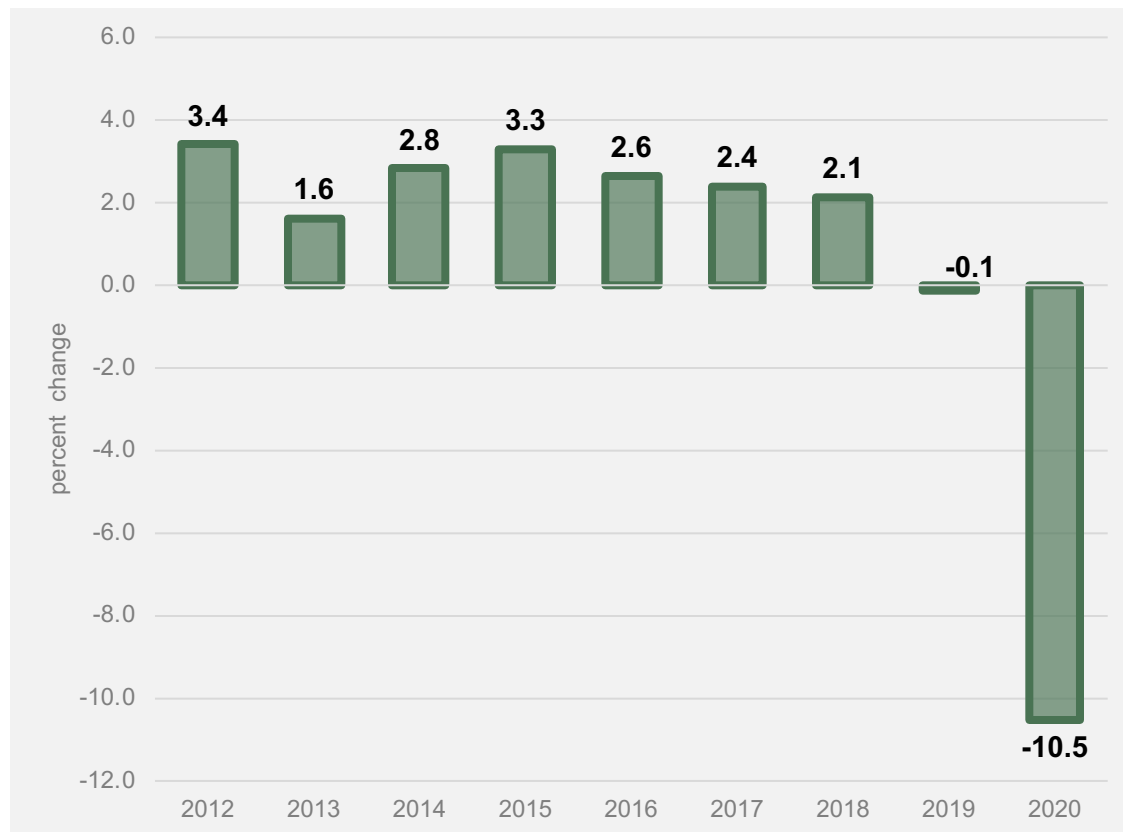
Finished Steel Production



Finished steel production for 2019 and 2020 shows a significant drop

Mx Economic fundamentals

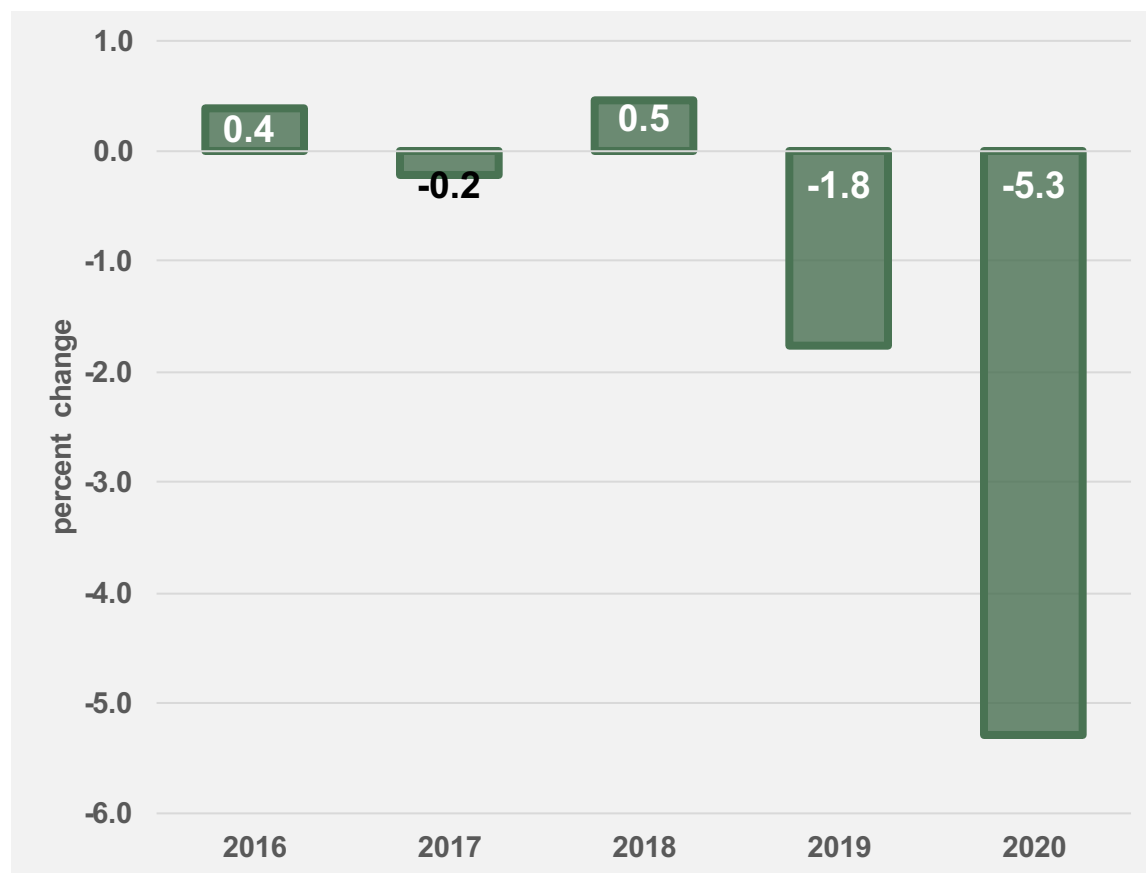
Real GDP



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