STEEL EXPORTERS' ASSOCIATION

SEPTEMBER 2011

STEEL EXPORTERS' ASSOCIATION

- Steel Exporters' Association is a professional body which represents iron and steel exporters in Turkey.
- The association has more than 600 members as of September 2011.

MAIN ACTIVITIES OF THE ASSOCIATION

- Maximize Turkey's export potential by undertaking studies on harmonization of types, qualities and quantities of exportable products with importing countries' needs.

- Register and record exportation in relevant sector and to produce statistics based on these records.

MAIN ACTIVITIES OF THE ASSOCIATION

- Prepare reports and to make in-depth analysis of relevant sectors, prepare market reports for selected markets and carry out R&D activities.
- Examine foreign trade regulations and laws of importer countries and keep member firms informed about international rules of arbitration

MAIN ACTIVITIES OF ASSOCIATION

- Organize seminars, fairs and exhibitions to introduce Turkish export products to world markets, produce documents concerning export operations and foster cooperation with other organizations considered key partners in achieving Association's objectives,
- Organize trade missions to potential export markets and to bring buying missions to Turkey in cooperation with Turkish Exporters Assembly and Ministry of Economy.

SOCIAL RESPONSIBILTY PROJECTS

Our Association gives predominance to social responsibility projects so as to train the young people of our country in accordance with the present and future needs of the sector.

'Sectoral Foreign Trade Teams' Project, which is **funded by EU Program To Support Youth Employment,** is prepared under coordination of Steel Exporters Association. It intends to train 50 unemployed young people who reside in Hatay and university graduated, in the field of foreign trade for the needs of regional Iron - Steel industry.

Morover, Steel Exporters Association has started to build a **vocational school** in Hatay and two more are planned to be built in İzmit and Çanakkale regions

SECTOR HAS 27 FACILITIES PRODUCING CRUDE STEEL AND ABOUT 200 ROLLING MILLS.

Providing direct and indirect employment for 200.000 people and added value of 7.5 billion US$.

TURKISH IRON & STEEL INDUSTRY

	2008			2009			2010			2011 (Jan-August)		
	Value (Billion $)	Share (%)	Rank	Value (Billion $)	Share (%)	Rank	Value (Billion $)	Share (%)	Rank	Value (Billion $)	Share (%)	Rank
Automotive Industry	24.751	19	1	16.877	17	1	17.382	15,3	1	1.318	12	3
Textile & Apparel	15.740	12	3	13.298	13	2	14.644	12,8	2	1.508	14	1
Chemicals and Chemical Products	13.647	8,5	4	9.609	9,5	4	12.720	11,1	3	1.507	14	2
Iron and Steel	19.489	15	2	11.030	11	3	12.302	10,8	4	1.236	11	4
Turkish Total Exports	**132.027**			**101.629**			**113.685**			**11.516**		

KEY FACTS AND FIGURES

- ✓ 2nd largest producer of steel in Europe
- ✓ 10th most important steel-producing country globally
- ✓ 3rd fastest growing steel producer globally between 2001 and 2010
- ✓ World's leading exporter of reinforced bars
- ✓ 72% of Turkish crude steel production belong to scrap consuming EAF mills
- ✓ World's largest importer of scrap metal

GLOBAL IRON & STEEL PRODUCERS

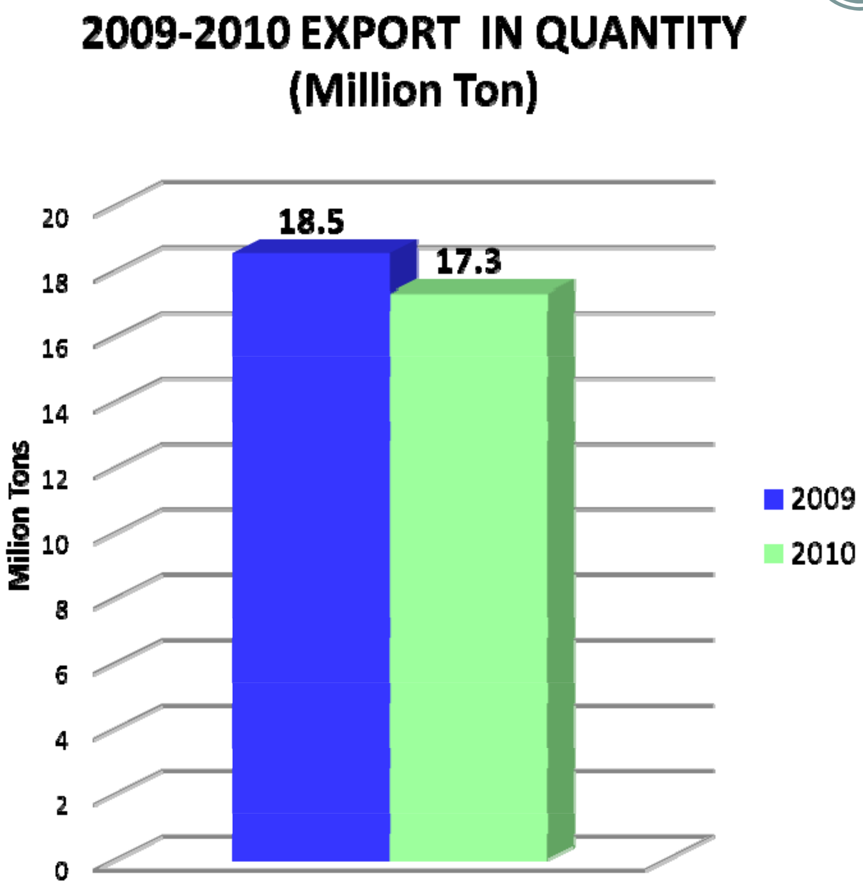
2010 Rank	Country	Share	2010	2009	Change (%)
1.	China	44.3%	**626,654**	573,567	9.3
2.	Japan	7.8%	**109,600**	87,534	25.2
3.	USA	5.7%	**80,594**	58,196	38.5
4.	India	4.7%	**66,848**	62,838	6.4
5.	Russia	4.7%	**66,826**	60,011	11.4
6.	S.Korea	4.1%	**58,453**	48,572	20.3
7.	Germany	3.1%	**43,815**	32,670	34.1
8.	Ukraine	2.4%	**33,389**	29,855	11.8
9.	Brasil	2.3%	**32,820**	26,507	23.8
10.	Turkey	2.1%	**29,143**	25,303	15.2
11.	Italy	1.8%	**25,751**	19,848	29.7
12.	Taiwan	1.4%	**19,641**	15,814	24.2
13.	Mexico	1.2%	**17,041**	13,957	22.1
14.	Spain	1.2%	**16,311**	14,362	13.6
15.	France	1.1%	**15,416**	12,840	20.1
	Other	12.1%	**171,129**	129,585	32.1
	Total	100%	**1,395,459**	1,211,461	15.2

IRON AND STEEL EXPORTING COUNTRIES

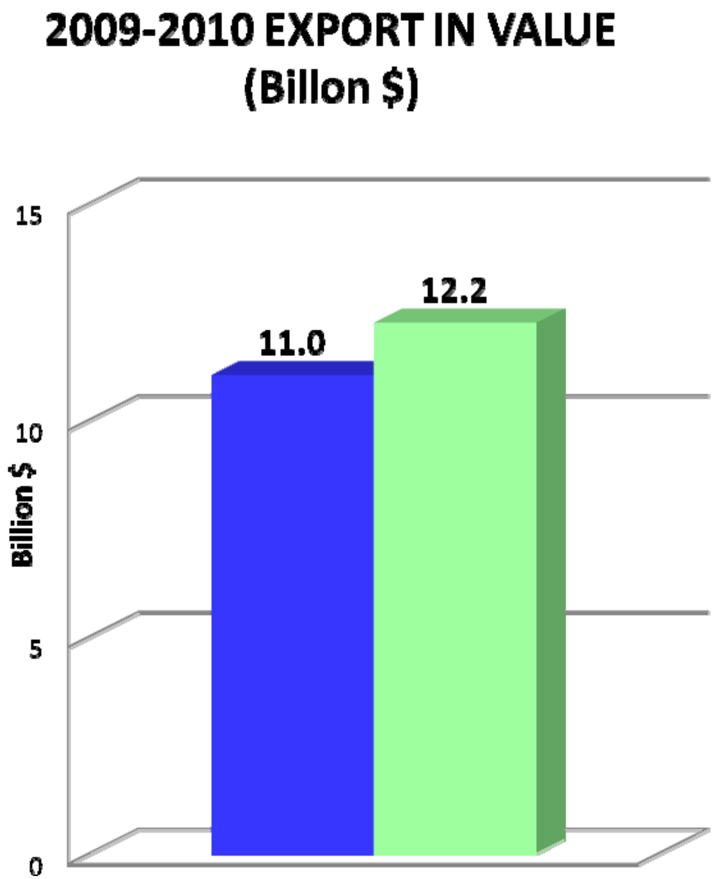
2010 Rank	Country	2008 (Million Tons)	2009 (Million Tons)	2010 (Million Tons)	% Change (2009-2010)
1	Japan	37.1	33.0	42,4	38
2	Çhina	56.2	21.7	38,8	79
3	EU(27)	33.8	30.1	32,7	8
4	Russia	28.2	27.4	27,2	-1
5	Ukraine	28.4	23.8	25,0	5
6	S.Korea	19.7	19.6	23,9	22
7	Turkey	18.3	17.2	16,0	-7
8	USA	12.6	8.8	11,2	28
9	Taiwan	9.8	9.8	9,8	0
10	Brazil	9.1	8.5	8,9	4

Source: ISSB (Int. Steel Statistics Bureau)

2010 STEEL EXPORTS

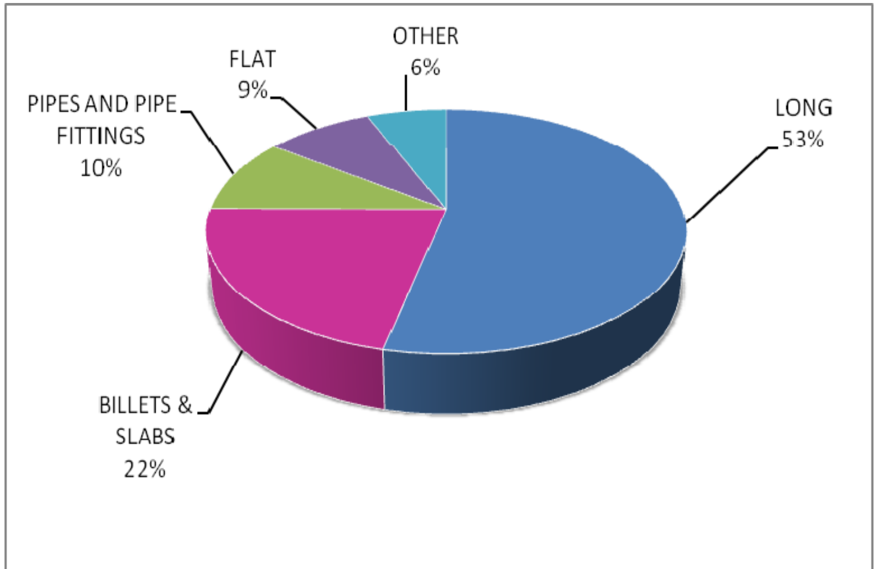


Quantity decreased by **6,5%**



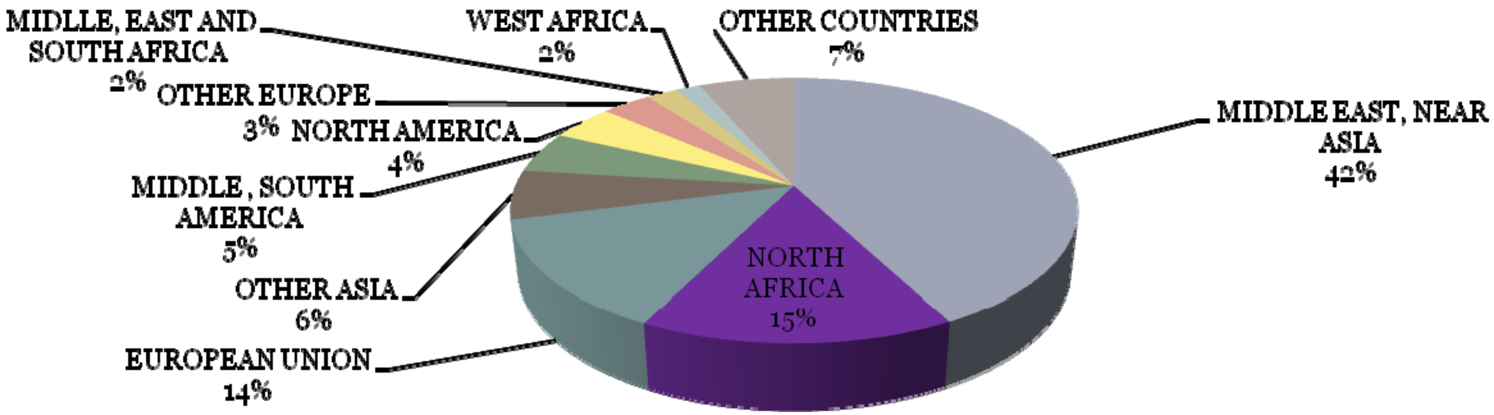
Value increased by **11%**

EXPORT BY PRODUCT GROUPS (2009-2010)



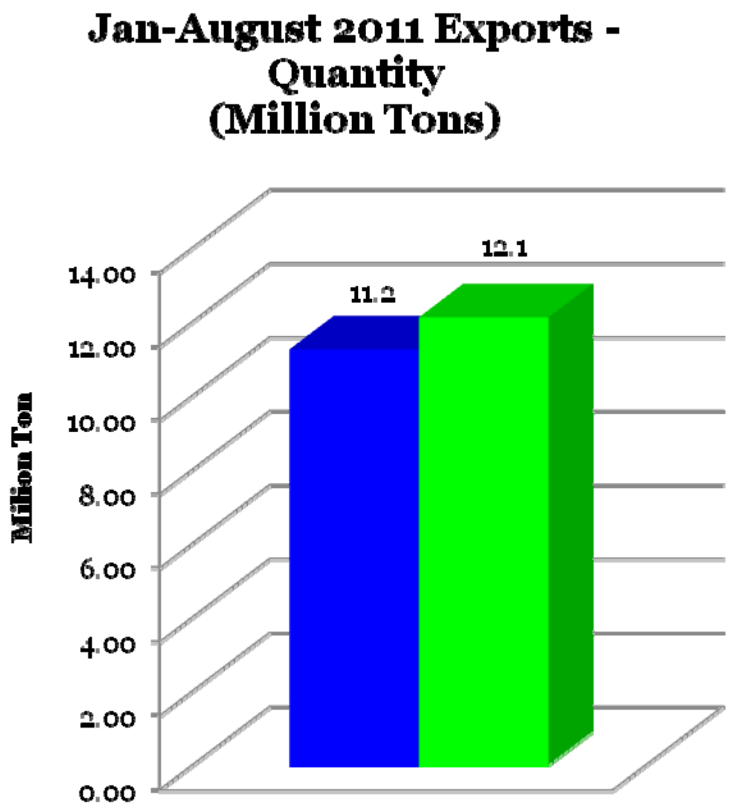
	2009		2010		
	QUANTITY (1000 Tons)	VALUE (Million $)	QUANTITY (1000 Tons)	VALUE (Million $)	CHANGE (%)
LONG	11.900	5.677	9.274	5.450	-22,07%
BILLETS & SLABS	2.481	1.035	3.738	2.024	50,67%
PIPES AND PIPE FITTINGS	1.579	1.591	1.718	1.633	8,80%
FLAT	1.630	893	1.490	1.118	-8,59%
OTHER	935	1.831	1.107	2.014	18,40%
TOTAL	18.527	11.029	17.330	12.241	-6,46%

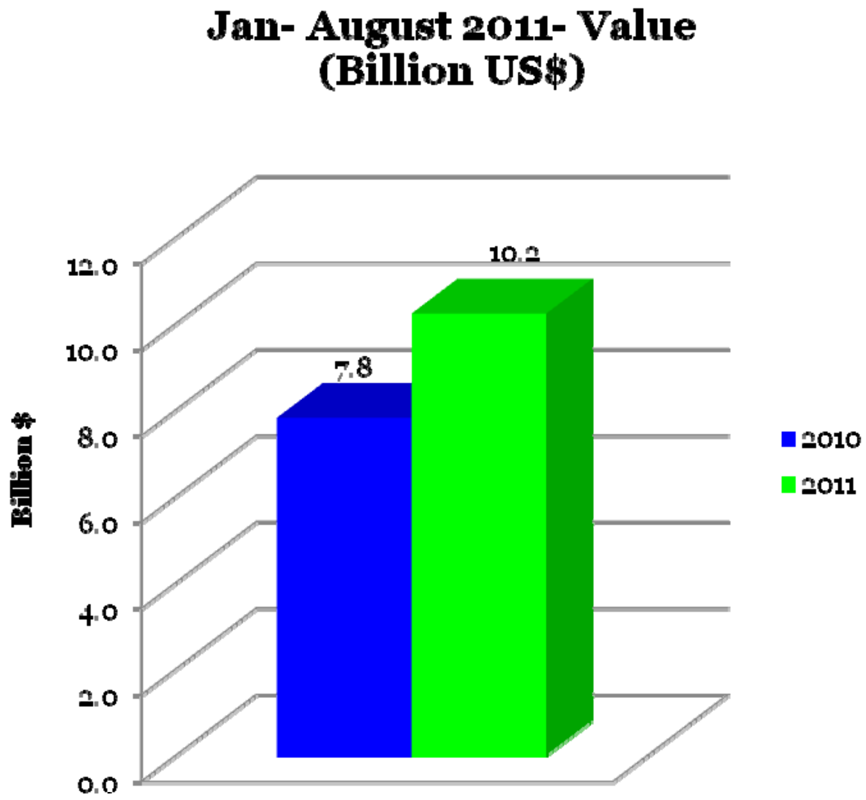
TURKISH EXPORT MARKETS – BY COUNTRY GROUPS (2009-2010)



RANK	COUNTRY GROUP	2009		2010		% CHANGE
		QTY (1000 Tons)	VALUE (Million USD)	QTY (1000 Tons)	VALUE (Million USD)	QTY
1	MIDDLE EAST, NEAR ASIA	6.564	3.436	7.327	4.634	12%
2	NORTH AFRICA	4.946	2.801	2.617	1.839	-47%
3	EUROPEAN UNION	2.409	1.885	2.348	2.162	-3%
4	OTHER ASIA	1.759	797	1.036	568	-41%
5	MIDDLE , SOUTH AMERICA	538	288	877	544	63%
6	NORTH AMERICA	395	274	756	508	91%
7	OTHER EUROPE	586	692	581	727	-1%
8	MIDLLE, EAST AND SOUTH AFRICA	513	293	376	252	-27%
9	WEST AFRICA	273	156	286	195	5%
	OTHER COUNTRIES	544	409	1.125	813	107%
	TOTAL	18.528	11.029	17.330	12.241	**-6%**

JAN-AUGUST 2010-2011 – STEEL EXPORTS

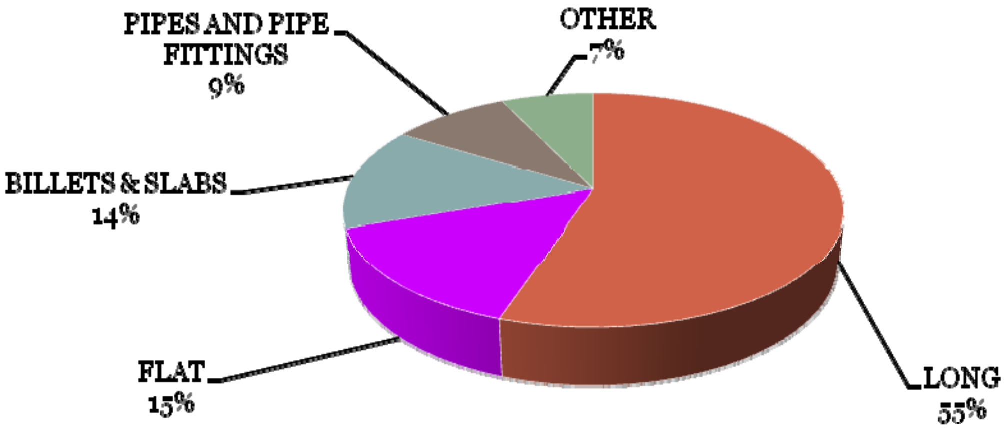




Quantity increased by **7,7%**

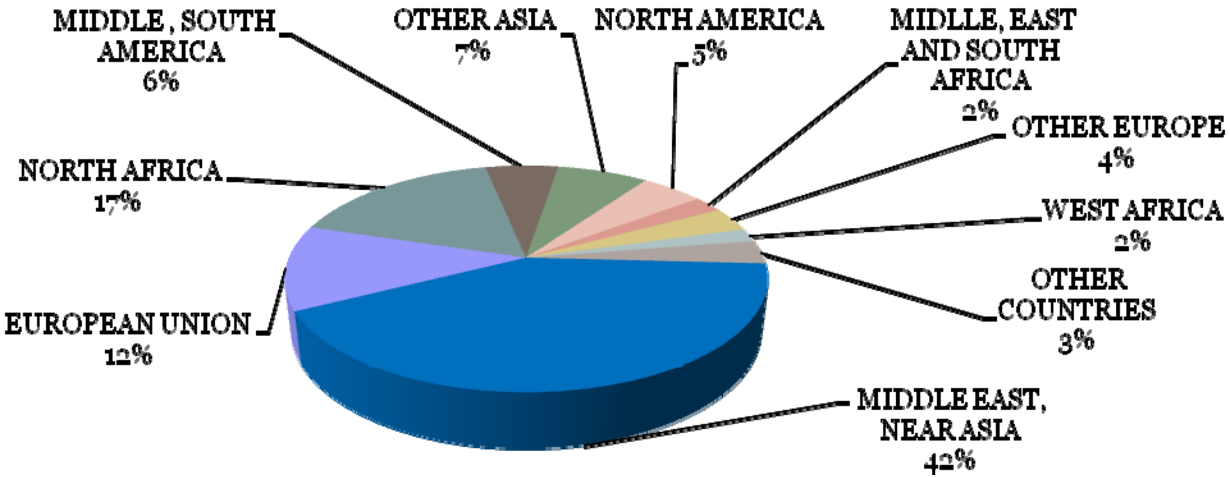
Value increased by **30,9 %**

EXPORT BY PRODUCT GROUPS (JAN-AUGUST 2010-2011)



	JAN-AUG 2010		JAN-AUG 2011		% CHANGE
	QTY (1000 Tons)	VALUE (Million USD)	QTY (1000 Tons)	VALUE (Million USD)	QTY
LONG	6.247	3.606	6.675	4.708	**6,8**
FLAT	716	550	1.769	1.419	**147**
BILLETS & SLABS	2.425	1.267	1.711	1.141	**-29,4**
PIPES AND PIPE FITTINGS	1.106	1.051	1.100	1.183	**-0,5**
OTHER	750	1.341	859	1.778	**14,4**
TOTAL	11.244	7.814	12.114	10.230	**7,7**

TURKISH EXPORT MARKETS – BY COUNTRY GROUPS (JAN-AUGUST 2010-2011)



RANK	COUNTRY GROUP	JAN-AUG 2010		JAN-AUG 2011		% CHANGE
		QTY (1000 Tons)	VALUE (Million USD)	QTY (1000 Tons)	VALUE (Million USD)	QTY
1	MIDDLE EAST, NEAR ASIA	4.691	2.918	4.257	3.186	-9,3
2	EUROPEAN UNION	1.366	1.282	2.730	2.687	99,9
3	NORTH AFRICA	1.916	1.316	1.173	936	-38,8
4	MIDDLE , SOUTH AMERICA	656	403	814	618	24,1
5	OTHER ASIA	817	429	721	515	-11,8
6	NORTH AMERICA	560	357	641	517	14,5
7	MIDDLE, EAST AND SOUTH AFRICA	262	172	428	324	63,2
8	OTHER EUROPE	388	493	417	621	7,5
9	WEST AFRICA	214	143	354	275	65,7
	OTHER COUNTRIES	375	300	581	551	54,9
	TOTAL	11.244	7.814	12.114	10.230	7,7

2011 OUTLOOK…

2011 outlook for

Production : 33,5 m.tons of crude steel
Capacity: 46.4 m.tons
Export: 20 million tons ~16 Billion US$

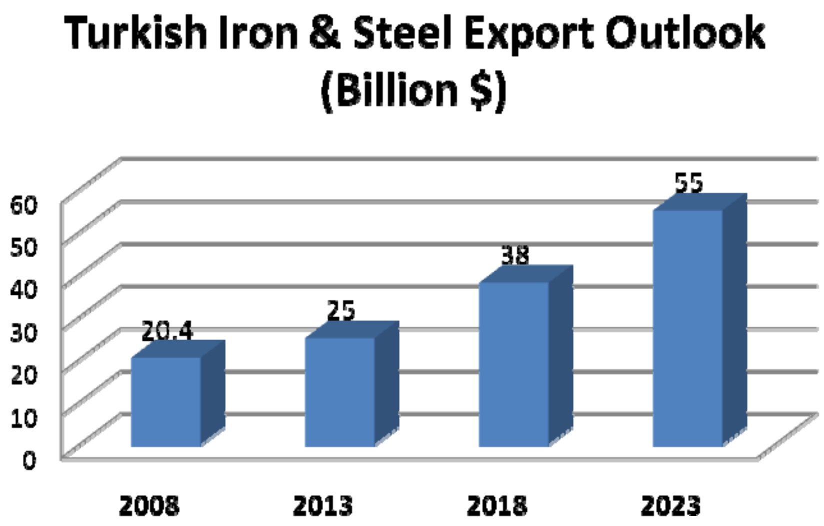
We are expecting a decrease of 10% in our imports of semi-finished and finished products

2023 EXPORT TARGET: 55 BILLION USD

TURKISH IRON & STEEL EXPORTS

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TonS (1.000MT)	6.445	10.779	11.364	11.920	14.396	13.331	15.352	16.695	19.955	18.740	17,330
Mio $ (1.000.000)	1.666	2.547	2.872	3.789	6.983	6,698	8,646	11,351	19,367	11,011	12,241

	2008	2013	2018	2023
Global Iron & Steel Trade (Billion $)	686	699	972	1.350
Turkish Iron & Steel Trade (Billion $)	19,3	25	38	55
Turkey’s Share(%)	2,8	3,6	3,9	4,1



WHY TURKISH STEEL?

Proven Production Capacity to meet growth in future levels of demand – Turkey is the 2nd largest producer in Europe by volume

Proximity to markets – Turkey's position on the Aegean & Mediterrenean Sea and proximity to major European industrial markets means it can respond to demand quickly and on time

Modern infrastructure – consolidated investments have provided Turkey with a world-class infrastructure meaning it can get its steel products faster to market

Quality products – all members of the Turkish Iron and Steel Producers Association enjoy International Standards Organization certification ISO9001 and Turkish steel products enjoy certification from individual EU states and US authorities

Competitive pricing – Investments in technology provide state-of-the-art production facilities and new production technologies mean that Turkey can offer quality products at consistently competitive prices

WHY TURKISH STEEL?

Experienced & skilled workforce – excellent standards of training and education ensure an expert workforce for highest production standards

Latest technologies – Production techniques integrate world-standard technological practices, such as the world's most productive electric arc furnace for scrap.

Continued Investments – Turkey continues to invest in upgrading, enhancing and improving production methods and in innovative products.

Greener steel – Turkey produces 72% of its total crude steel production using the EAF method, which is based on recycling scrap metal. The industry has committed to meeting all EU and United States environmental standards and without recourse to state subsidies. All integrated plants enjoy ISO 14001 environmental standards certification. Turkey's proximity to key European markets helps reduce the carbon footprint of EU countries' steel imports.

TURKISH IRON & STEEL SECTOR
MAJOR PROJECTS AROUND THE WORLD

- Projects Turkish steel has featured prominently in major construction products around the world,
- Perhaps most notably in the construction of the Al Burj building in Dubai – one of the world’s tallest buildings at 1,050 meters
- Other international projects include the extension of the Heathrow airport in London and major energy pipelines in Israel and Azerbaijan
- Turkish steel is also extensively used in car manufacturing by numerous manufacturers such as Toyota, Toyota Corolla and Verso, Honda Civic & City, Hyundai Accent & Matrix, Renault Megane & Clio, Fiat Albea, Palio Doblo & Linea)
- Turkish steel has also been used in high-profile major engineering projects in Spain like the Madrid-Valencia High Speed Train (AVE)

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THANK YOU