

NEWSLETTER

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US ECONOMY DECLINES 6.1 PERCENT IN FIRST QUARTER

Real US Gross Domestic Product (GDP) declined 6.1 percent in the first quarter of 2009 after declining 6.3 percent in the fourth quarter of 2008.

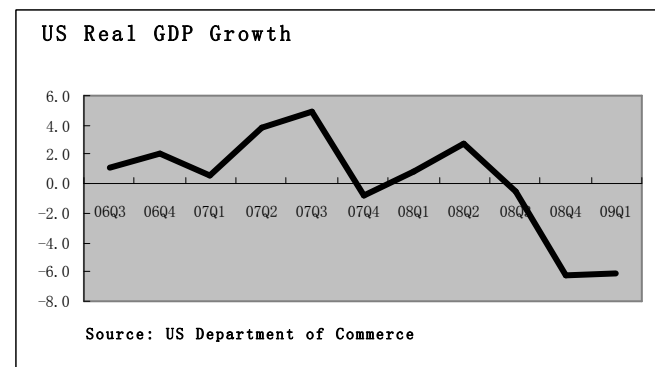
Consumer spending grew 2.2 percent in the first quarter after falling 4.3 percent in the fourth quarter.

According to the U.S. Labor Department's monthly jobs report, nonfarm payroll employment continued to fall sharply in February (-651,000) and the unemployment rate rose from 7.6 to 8.1 percent. Payroll employment has declined by 2.6 million in the past 4 months. In February, job losses were large and widespread across nearly all major industry sectors.

The number of unemployed persons increased by 851,000 to 12.5 million in February, and the unemployment rate rose to 8.1 percent.

Over the past 12 months, the number of unemployed persons has increased by about 5.0 million, and the unemployment rate has risen by 3.3 percentage points.

Since the recession began in December 2007, about 4.4 million jobs have been lost, with more than half (2.6 million) of the decrease occurring in



the last 4 months. In February, employment declined in most major industry sectors, with the largest lost occurring in professional and business services, manufacturing, and construction. Health care continued to add jobs over the month.

The consumer price index for all urban consumers increased 0.2% in March, before seasonal adjustment. The index has decreased 0.4 percent over the last year, the first 12 month decline since August 1955.

On a seasonally adjusted basis, the CPI-U decreased 0.1 percent in March after rising 0.4 percent in February. The decrease was due to a downturn in the energy index, which declined 3.0

percent in March after rising 3.3 percent in February. All the energy indexes decreased, particularly indexes for fuel oil, natural gas, and motor fuel. The food index declined 0.1 percent for the second straight month to virtually the same level as October 2008. The food at home index declined 0.4 percent, the second straight such decrease, as the index for dairy and related products continued to decline.

A key index of consumer US confidence in April to its highest level this year with some expectations the economic downturn maybe reaching a bottom.

The Conference Board's sentiment climbed to 39.2 in April from 26.9 in March. The increase in the index was the highest since November 2005.

STEEL INDUSTRY STATISTICS

Preliminary U.S. February 2009 steel imports were \$1.8 billion

The U.S. Census Bureau announced that preliminary February steel imports were \$1.8 billion (1.4 million metric tons). This was a decrease of \$1.1 billion (0.7 million metric tons) from the preliminary January totals of \$2.9 billion (2.1 million metric tons).

The February change in steel imports based on metric tonnage reflected decreases primarily in oil country goods. Monthly changes in steel imports reflected decreases primarily with China, Russia, and Korea.

The year to date final statistics through January 2009 showed steel imports of 2.4 million metric tons compared to 2.4 million metric tons through January 2008. The largest commodity decreases were in blooms, billets, and slabs; and hot rolled sheets. The largest commodity increase was in oil country goods. The largest country decrease was with Canada. The largest country increases were with Russia and China.

January steel shipment down 50.5 percent from last year

According to the American Iron and Steel Institute, U.S. steel mills shipped 4,576,000 net tons in January 2009, recording 50.5 percent from the same period last year, and 0.8 percent decline compared to the previous month.

The decrease was caused by decreases in following major market classifications; service centers and distributors, down

55.9 percent; automotive, down 58.3 percent, construction and contractors' products, down 59.6 percent; and oil and gas, down 20.2 percent.

In February, total crude steel production for the 66 countries reporting to the IISI was estimated to be 83.8 million tonnes.

The world crude steel production for February 2009 posted 22% decrease compared to the same period of 2008. The total for the two months to date in 2009 was 22.9% down on the same period in 2008 at 170.3 million tonnes. However, excluding China, global crude steel production dropped by 37.2% in the two months. All regions showed a drop in the year to date: the EU was down 43%, the CIS down 35%, North America was down 53% and South America down 39%, Asia was only down 8%.

In the European Union, crude steel production fell by 41.5% in February, and by 43% to 19.9 million tonnes in the two months to date compared to the same period of last year.

Imports of steel by the EU27 from outside the EU fell to their lowest level in December 2008 since December 2005. At 2.3 million tonnes this was 17% below the December 2007 total. While German imports were only 2% down on December 2007, Italian imports in the month were 25% down. UK December imports were 32% down and in Spain imports were almost 50% down on December 2007. China remains the largest source of imported steel

followed by Russia and Ukraine.

Crude steel production in the rest of Europe is dominated by Turkey which didn't fare quite so badly with production in February down by 23.5% with the year to date total down 18.5% to 3.6 million tonnes. In Serbia production fell by 58% in the month, and by 65% in the year to date to 112 thousand tonnes; the Swiss two month total fell by 27.7% to 176 thousand tonnes.

ACEA, the European car manufacturer's association, reported that car registration in Europe fell by 18.3% in February, while the year to date was down 22.6%, to 1.9 million cars.

In the CIS crude steel production decreased by 32.1% in February, while the year to date was down 35.5% to 13.5 million tonnes. Russia's monthly total was down 32.1%, with the two months down 35.8% to 8 million tonnes.

US crude steel production dropped by 54.2% in February, and by 53.5% in the year to date to 7.8 million tonnes.

In South America, there was a 39% fall in Brazilian crude steel production in February, with the year to date total down 42.4% to 3.3 million tonnes.

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WISCO America Company Ltd., wholly owned by Wuhan Iron & Steel (Group) Corp., was established in 2007 in California, USA. WISCO America is the headquarters for various [Wuhan](#) Steel Group subsidiaries in American Continent.

As an important window for [Wuhan](#) Steel Group's international trading business in America, WISCO America Company Ltd. mainly deals with exporting steel products, and importing raw materials for its parent company. In addition, WISCO America is planning to expand trading services to various items, including textiles, energy, metals, food, and beverages. WISCO America is also planning to form a joint venture with other leading steel companies to acquire iron ore mines in American continent.

WISCO America's goal is to constantly pursue ambitious growth and become number one or two in each of the market it serves.

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