

NEWSLETTER

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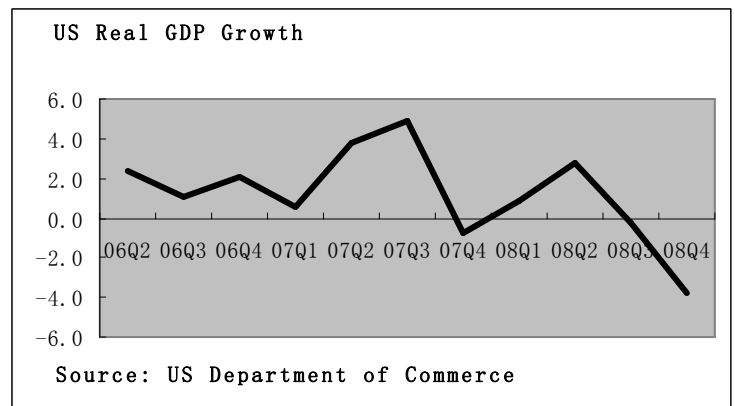
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U.S. ECONOMY DECLINED 3.8% IN THE FOURTH QUARTER OF 2008

According to US Department of Commerce, US real gross domestic product—the output of goods and services produced by labor and property located in the United States—decreased at an annual rate of 3.8 percent in the fourth quarter of 2008, (that is from the third quarter to the fourth quarter), according to advance estimates. In the third quarter, real GDP decreased 0.5 percent.

The decrease in real GDP in the fourth quarter primarily reflected negative contributions from exports, personal consumption expenditures, equipment and software, and residential fixed investment that were partly offset by positive contribution from private inventory investment and federal government spending. Imports, which are a subtraction in the calculation of GDP, decreased.

Most of the major components contributed to the much larger decrease in real GDP in the fourth quarter than in the third. The largest contributors were downturn in exports and a much larger decrease in equipment and software.



Consumer prices fell in December 2008 for the third straight month, with plunging energy costs contributing to the drop. The consumer price index, a measure of inflation, declined a seasonally adjusted 0.7% from the previous month.

The December decline was driven by plunging energy prices, which fell 8.3%. Transportation cost also fell by 4.4%. The cost of food, beverages, and housing was unchanged.

According to the U.S. Labor Department's

monthly jobs report, non-farm payroll employment declined sharply in December, and the unemployment rate rose from 6.8 percent to 7.2 percent. Payroll employment fell by 524,000 over the month and by 1.9 million over the last 4 months of 2008.

In December, job losses were large and widespread across most major industry sector.

In December, the number of unemployed persons increased by 632,000 to 11.1 million and the unemployment rate rose to 7.2 percent. Since the start of this recession in December 2007, the number of unemployed persons has grown by 3.6 million, and the unemployment rate has risen by 2.3 percentage points.

GLOBAL ECONOMIC SLUMP CHALLENGES POLICIES

Following article is an excerpt from World Economic Outlook Released on January 28, 2009 by the IMF.

World growth is projected to fall to ½ percent in 2009. Despite wide-ranging policy actions, financial strains remain acute, pulling down the real economy. A sustained economic recovery will not be possible until the financial sector's functionality is restored and credit markets are unclogged.

The world economy is facing a deep downturn.

Global growth in 2009 is expected to fall to ½ percent when measured in terms of purchasing power parity. Helped by continued efforts to ease credit strains as well as expansionary fiscal and monetary policies, the global economy is projected to experience a global recovery in 2010, with growth picking up to 3 percent. However, the outlook is highly uncertain, and the timing and pace of the recovery depend critically on strong policy actions.

Financial markets remain under stress.

Financial markets are expected to remain strained during 2009. In the advanced economies, market conditions will likely continue to be difficult until forceful policy actions are implemented to restructure the financial sector, resolve the uncertainty about losses, and break the adverse feedback loop with the slowing real economy. In emerging economies, financing conditions will likely

Remain acute for some time—especially for corporate sectors that have very high roll-over requirements.

Global output and trade plummeted in the final months of 2008. The continuation of the financial crisis, as policies failed to dispel uncertainty, as caused asset values to fall sharply across advanced and emerging economies, decreasing household wealth and thereby putting downward pressure on consumer demand.

Growth in emerging and developing economies is expected to slow sharply from 6¼ percent in 2008 to 3¼ percent in 2009, under the drag of falling export demand and financing, lower commodity prices, and much tighter external financing constraints.

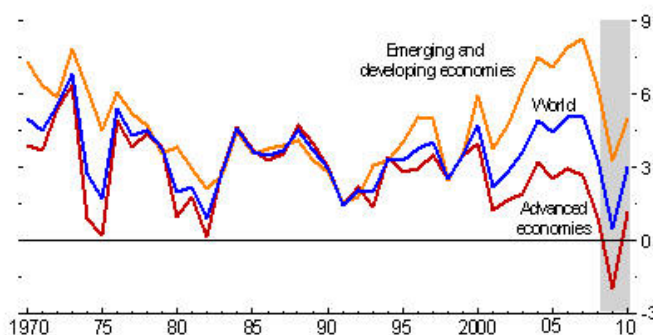
The slump in global demand has led to a collapse in commodity prices. Despite production cutbacks and geopolitical tensions, oil prices have declined by over 60 percent since their peak in July 2008.

Sluggish real activity and lower commodity prices have dampened inflation pressures. In the advanced economies, headline inflation is expected to decline from 3½ percent in 2008 to a record low ¼ percent in 2009, before edging up to ¾ in 2010.

Strong and complementary policy efforts are needed to rekindle activity.

Timely implementation of fiscal stimulus across a broad range of advanced and emerging economies must provide a key support to world growth. Fiscal stimulus packages should rely primarily on temporary measures and be formulated within medium-term fiscal frameworks that ensure that the envisaged buildup in fiscal deficits can be reversed as economies recover and that fiscal sustainability can be attained in the face of demographic pressure.

Figure 1. GDP Growth
(Percent change)



Source: IMF staff estimates.

STEEL INDUSTRY STATISTICS

Preliminary U.S. November steel imports were \$3.1 billion (2.0 metric tons)

According to the U.S. Census Bureau, November steel imports were \$3.1 billion (2.0 million metric tons) compared to the preliminary October totals of \$3.9 billion (2.7 million metric tons).

The November change in steel imports based on metric tonnage reflected decreases primarily in blooms, billets, and slabs; hot rolled bars; and galvanized hot dipped sheets and strip. An increase occurred primarily with oil country goods. Monthly changes in steel imports reflected decreases primarily with Mexico, Canada, and Ukraine.

The year to date final statistics through October 2008 showed steel imports of 24.9 million metric tons compared to 26.2 million metric tons through October 2007. The largest commodity decreases were reinforcing bars: wire rods; blooms, billets, and slabs; cold rolled sheets; standard pipe; and galvanized hot dipped sheets and strip. The largest commodity increases were in oil country goods and hot rolled sheets. The largest country decrease were with Brazil, Taiwan, and China. The largest country increases were with Canada and India.

construction and contractors' products, down 2.9 percent; and oil and gas, up 4.9 percent.

October Imports Up 0.57 Percent VS September

According to US Census Data, US imported 2,828,486 net ton (NT) of steel in October 2008.

While total steel imports through the first 10 months recorded 24,905,160 tons, down 5.1% from the same

period of 2007.

For the January to October period, most of steel products showed decreased import quantity compared to the same period of 2007, except few steel products, which include plates in coil, bars-hot rolled, oil country goods, and sheets hot rolled.

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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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story. Send your story to
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