

# NEWSLETTER

## WISCO AMERICA

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## US ECONOMY DECLINED 5.7 PERCENT IN FIRST QUARTER

**Real gross domestic product (GDP)** declined 5.7 percent in the first quarter of 2009 after decreasing 6.3 percent in the fourth quarter of 2008, according to the "preliminary" estimates of the Bureau of Economic Analysis. The first quarter growth was revised up 0.4 percentage point from the "advance" estimate released in April.

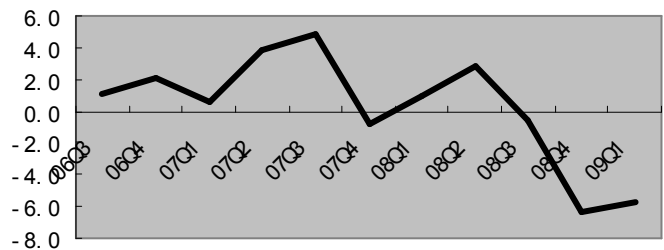
As in the earlier estimate, consumer spending turned up, rising 1.5 percent in the first quarter after falling for two quarters.

Exports, housing, and business investment, including inventory investment, continued to decline sharply.

**Corporate profits** rose 3.4 percent at a quarterly rate in the first quarter, after falling 16.5 percent in the fourth quarter. Financial sector profits rose 94.9 percent in the first quarter, while nonfinancial sector profits fell 8.6 percent.

According to the U.S. Labor Department's monthly jobs report, nonfarm payroll employment continued to decline in April (-539,000), and **the unemployment rate** rose from 8.5 to 8.9 percent. Since the recession began in December 2007, 5.7 million jobs have been lost. In April, job losses were large and widespread across nearly all major private-sector industries.

US Real GDP Growth



Source: US Department of Commerce

Overall, private-sector employment fell by 611,000. The number of unemployed persons increased by 563,000 to 13.7 million in April, and the unemployment rate rose to 8.9 percent. Over the past 12 months, the number of unemployed persons has risen by 6.0 million, and the unemployment rate has grown by 3.9 percentage points.

**The consumer price index** for all urban consumers increased 0.2% in April, before seasonal adjustment. This index has fallen 0.7 percent over the last 12 months, due primarily to a 25.2 percent drop in energy prices. The year-over-year decline in March and April are the first since 1955.

**The Conference Board Consumer Confidence Index**, which had improved considerably in April, posted another large gain in May. The Index now stands at 54.9 (1985=100), up from 40.8 in April. The Present situation index increased 28.9 from 25.5 last month. The Expectation index rose to 72.3 from 51.0 in April.

## STEEL INDUSTRY STATISTICS

### **Preliminary U.S. March 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 unchanged from the preliminary February totals.

The March change in steel imports based on metric tonnage reflected decreases primarily in blooms, billets, and slabs; and plates cut lengths. An increase occurred primarily with China, Mexico and Russia. An increase occurred primarily with Japan.

The year to date final statistics through February 2009 showed steel imports of 3.6 million metric tons compared to 4.7 million metric tons through 2008. The largest commodity increase was in oil country goods. The largest country decrease was with Canada. The largest country decrease were with Russia and China.

### **World production of crude steel in March 2009 fell by 23.5% to 91.7 million tonnes.**

World production of crude steel in March 2009 fell by 23.5% to 91.7 million tonnes, although this was a higher monthly total than the previous 4 months. The total of the 3 months to date was 263.7 million tonnes, 22.8% lower than the January to March period in 2008. However, excluding China, the total for the quarter was 37% less than Q1 2008, with the monthly total down 37.6%. All regions show a fall in crude steel production in both

March and the year to date.

Crude steel production in the European Union 27 fell by 45.3% in March to 10.3 million tonnes compared to March 2008, and was 43.9% down in the quarter at 30.2 million tonnes. German steel production was 50% down in March, and 39.4% down in the three months to 7.3 million tonnes. Italian production decreased by 42.7% in March, and by 40.9% in the quarter to 4.9 million tonnes. French steel production dropped by 36.7% in March, bringing the year to date total down 39.7% to 2.9 million tonnes. Spanish steel production decreased by 41.2% in March, and by 42.7% in the three months to 2.8 million tonnes. UK steel production showed a drop of 43% in March, and 43.7% in the year to date to 2.1 million tonnes. Romania showed the largest fall at 67.8% in the month and 66.3% in the quarter; with Belgian production down 60.2% in the month, and 72% in the quarter.

Outside the European Union, Turkish production decreased by 24.5% in March, and by 20.6% in the three months to 5.5 million tonnes. First quarter production in Switzerland fell 30.3% to 256 thousand tonnes compared to first quarter of 2008.

According to ACEA, the European vehicle manufacturers association, car registration in the 28 European countries monitored fell by 9% in March, and by 17.2% in the first three months of 2009 compared to 2008.

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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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*As a WISCO community member,  
we encourage you to contribute your  
story. Send your story to  
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