

OECD STEEL COMMITTEE

Developments In World Steelmaking Capacity



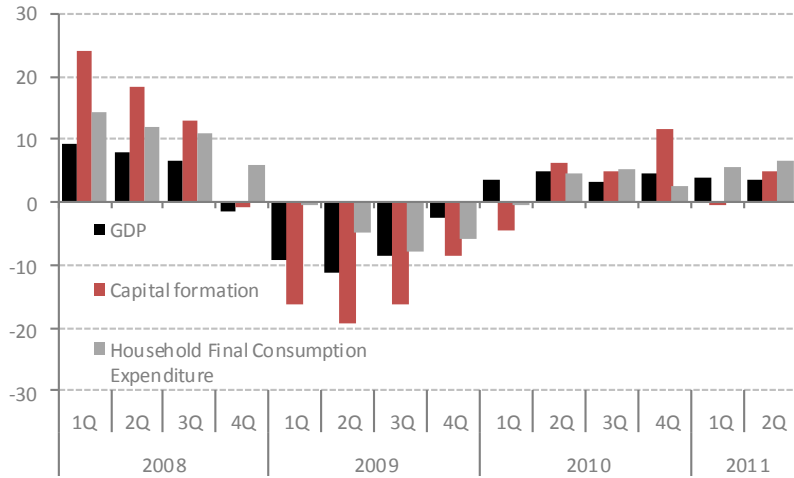
Russia: Steel Market Developments

Anton Bazulev
Steering-committee member of «Russian Steel»,
Head of external relations, NLMK Group

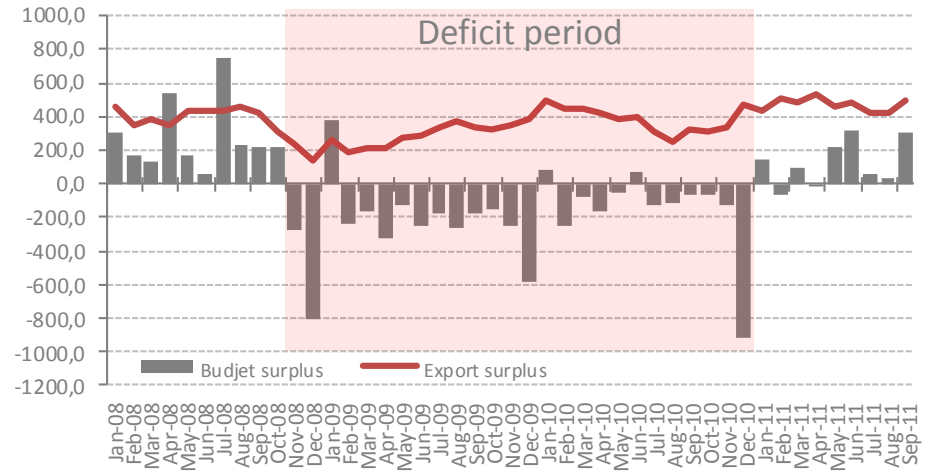
Paris, December 2011

Current Economic Situation In Russia

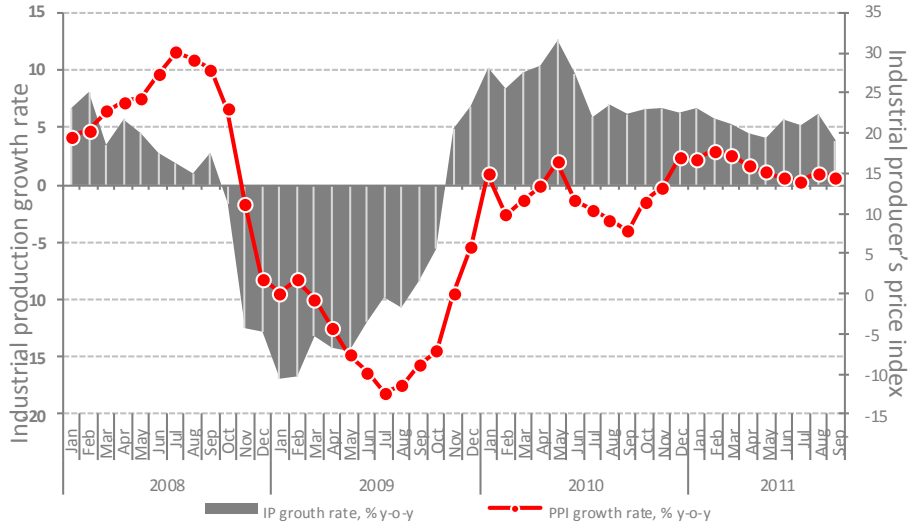
GDP and its elements growth rates, y-o-y, %



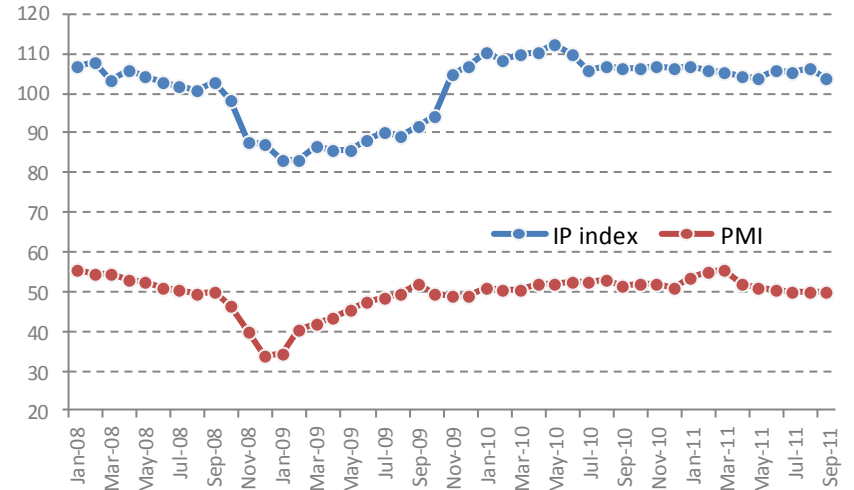
Budget net surplus & export surplus, bln. RUB



Industrial production & industrial producer's price index, y-o-y, %



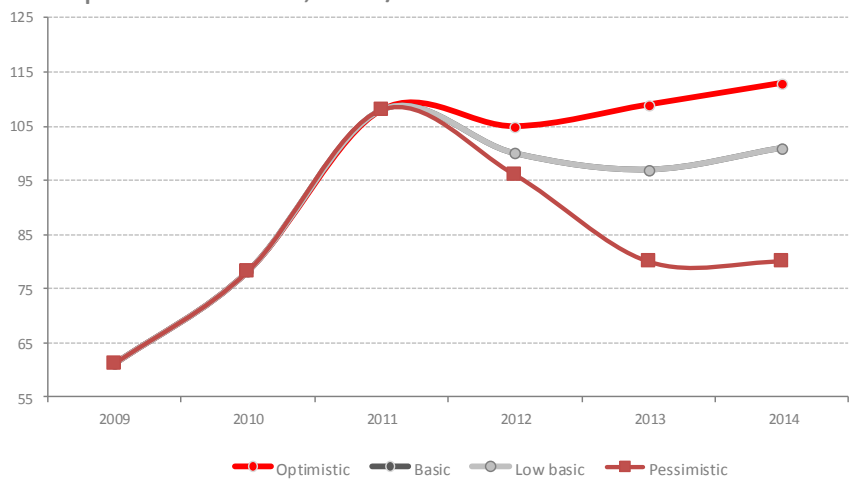
IP & fixed capital investments indices



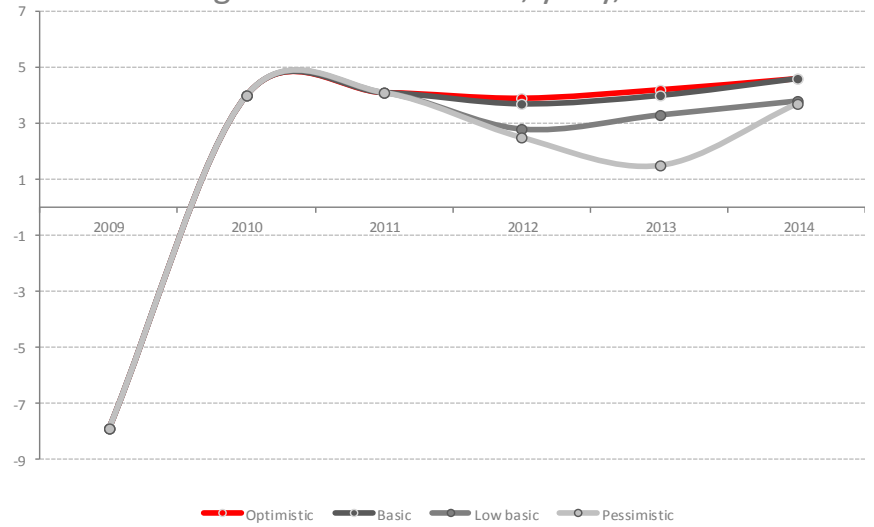
Russian Economy Growth Forecast



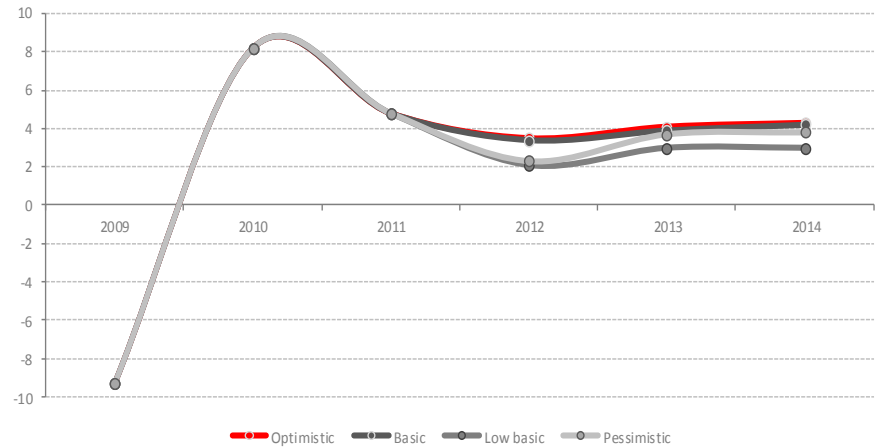
Oil prices forecast, USD/bl



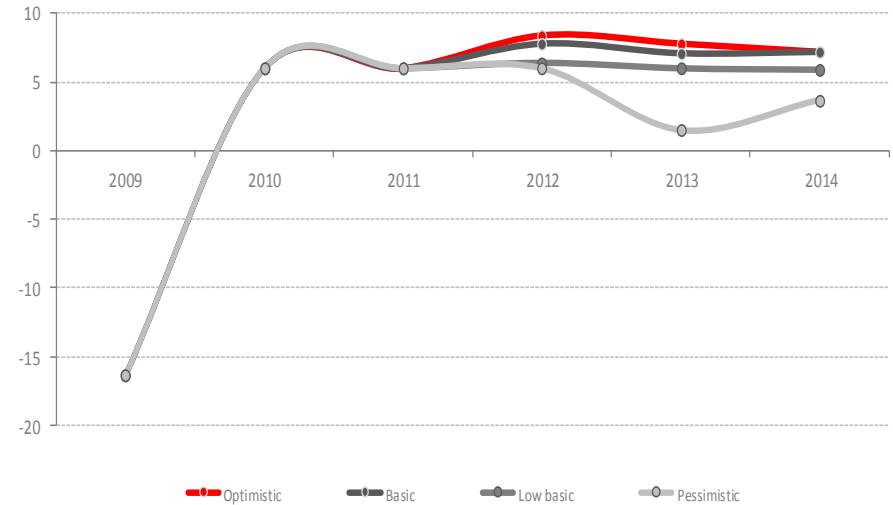
GDP index growth rate forecast, y-o-y, %



Industry growth rate, y-o-y, %



Fixed assets investments (FAI), y-o-y, %

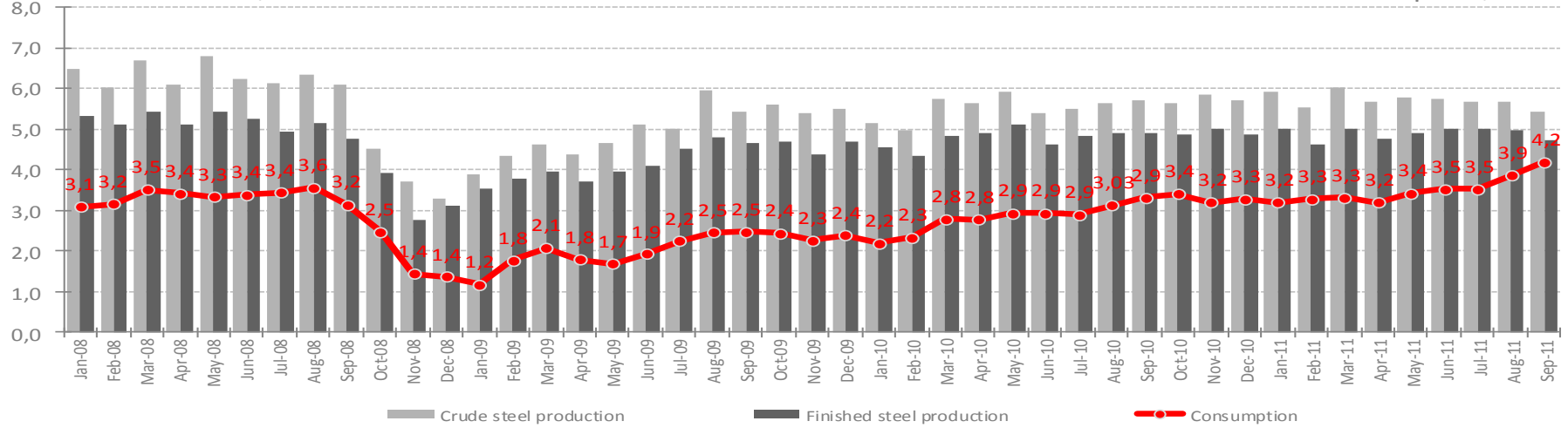


Source: Ministry of Economic Development

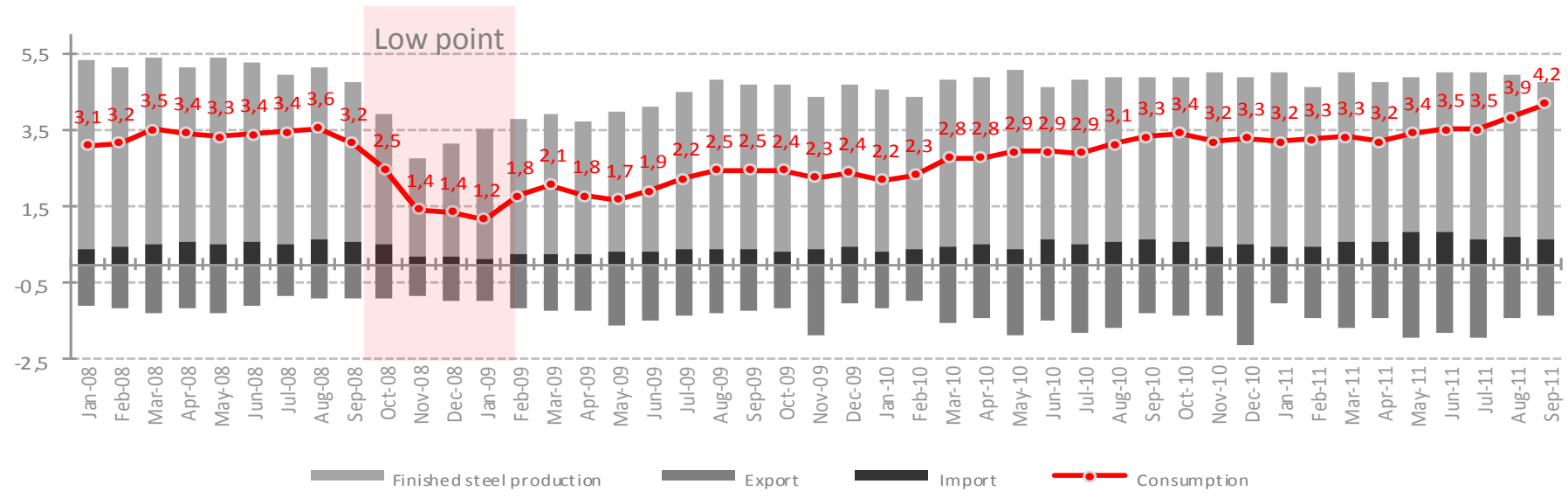
Russia' Steel Industry Dynamics

Production volume, mmt

Consumption, mmt

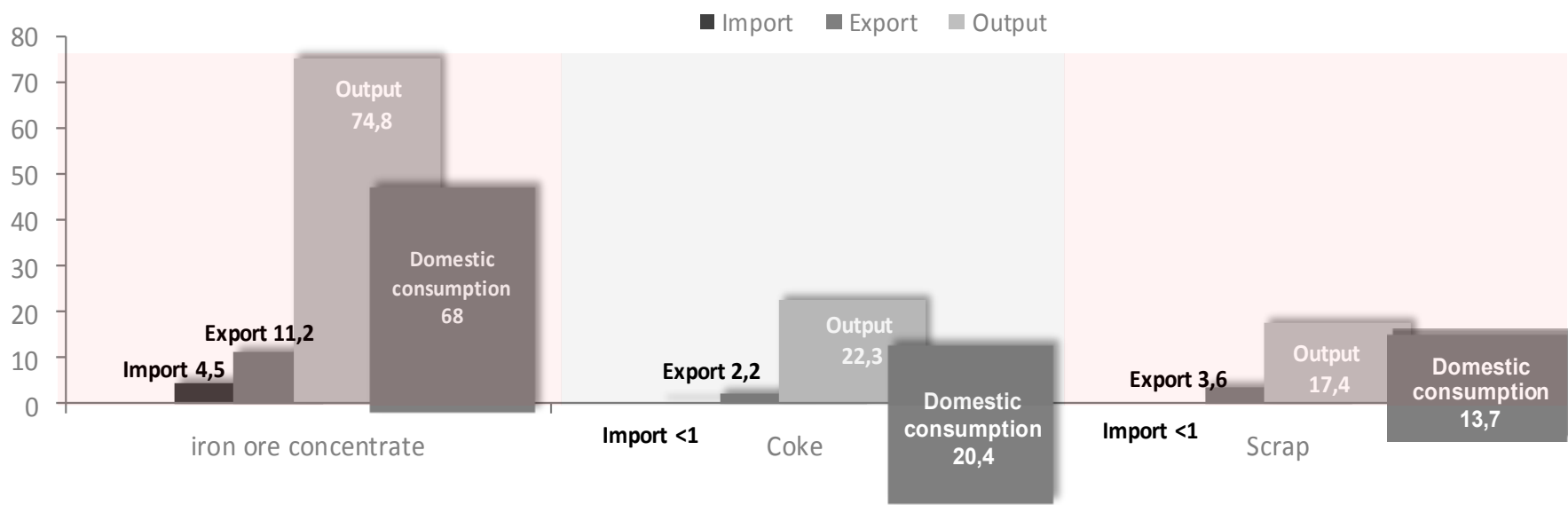


Finished steel balance, mmt

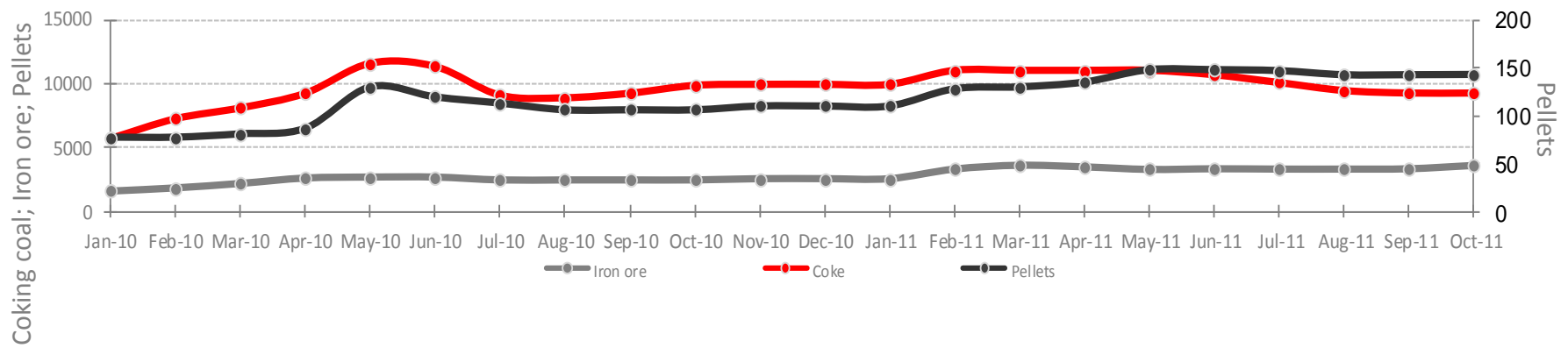


Sources: Russian Statistics Agency, Worldsteel, Federal Customs Service

Russian steel industry self-sufficiency in raw materials (9m 2011, mmt)



Raw material price dynamics RUB/t, CPT

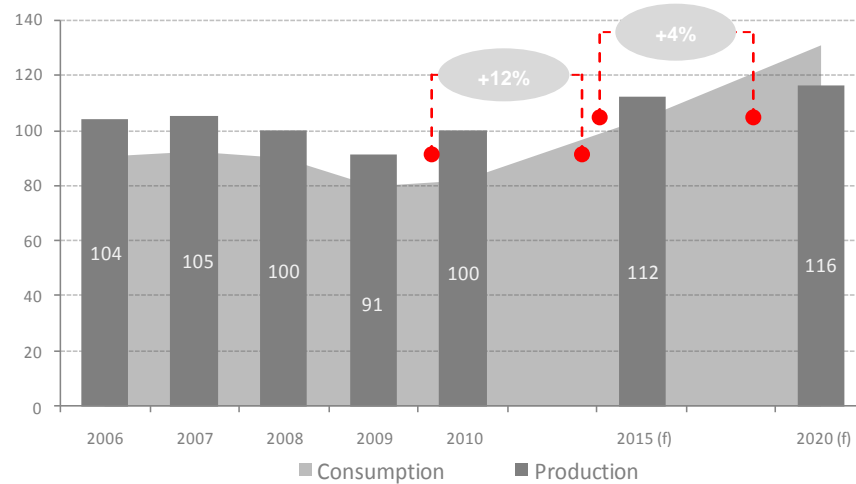


Sources: Metal Expert, Rasmin, NLMK research

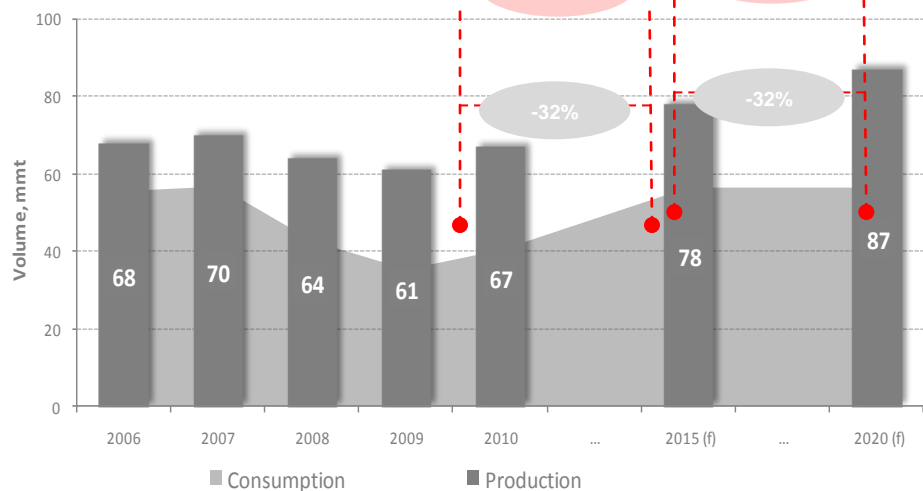
Production Forecast: Steelmaking Raw Materials



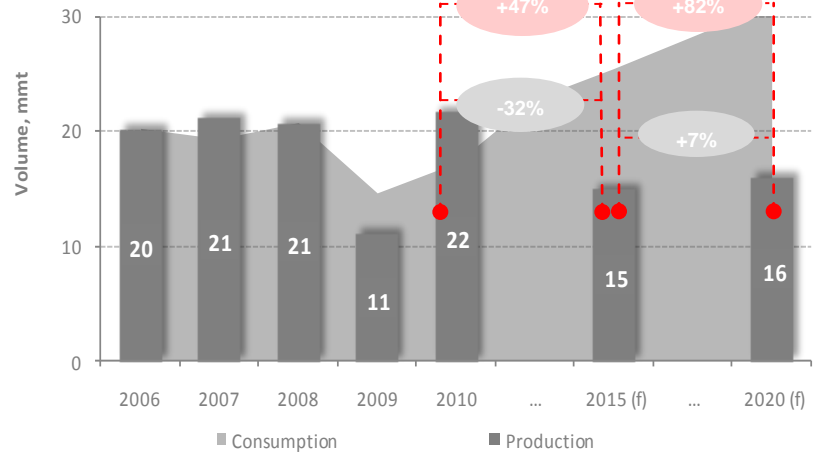
Coking coal



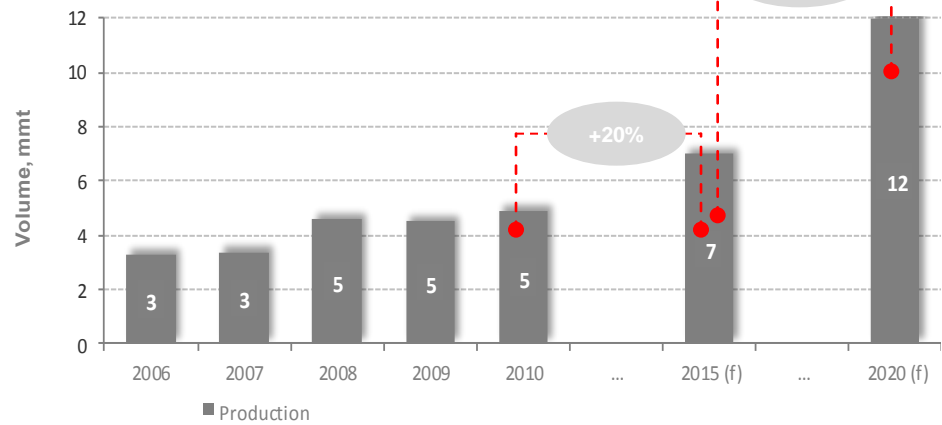
Iron ore



Scrap



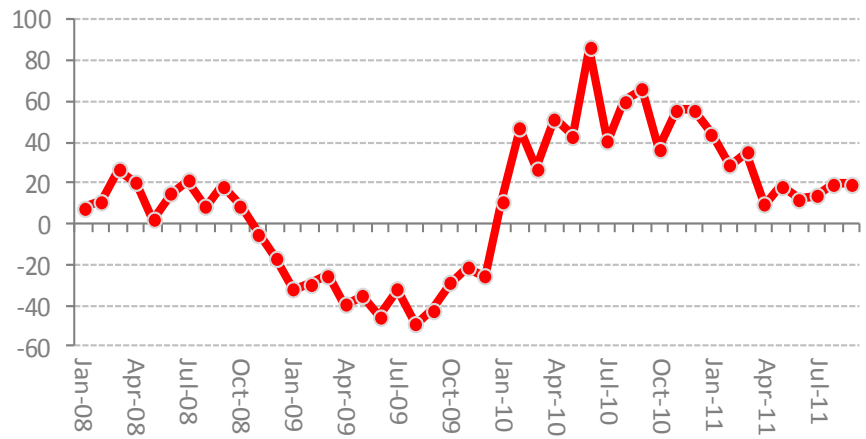
HBI/DRI



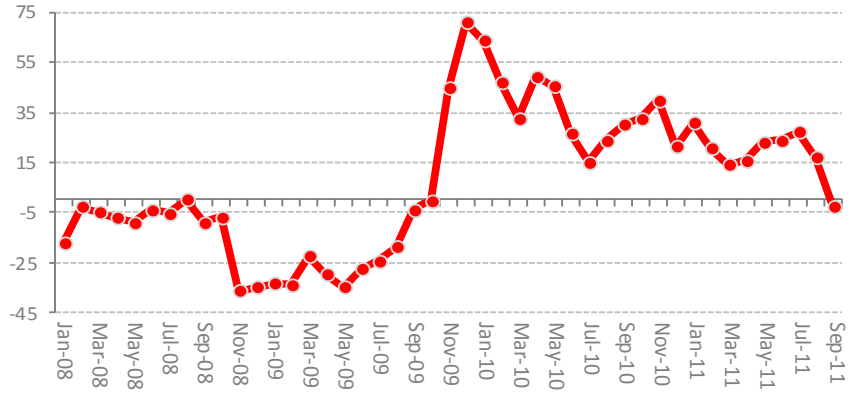
Russia' Steel Consuming Sectors Output Dynamics



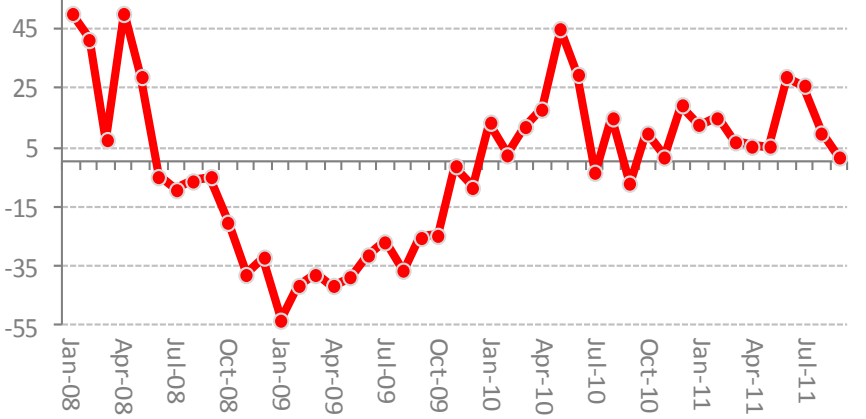
Locomotives & railway stock production index, y-o-y, %



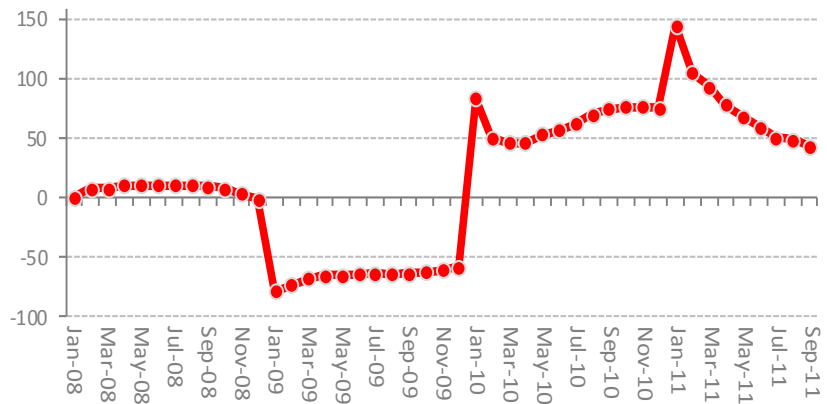
Pipes & tubes production index, y-o-y, %



Machinery & equipment production index, y-o-y, %



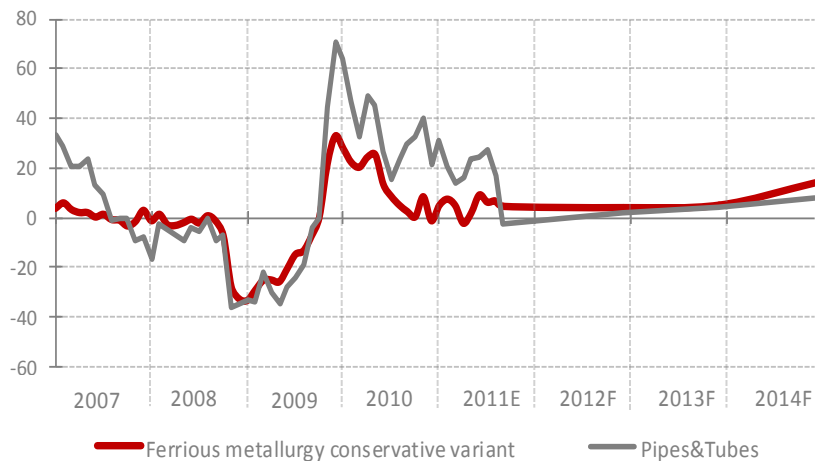
Automotive industry production index, y-o-y, %



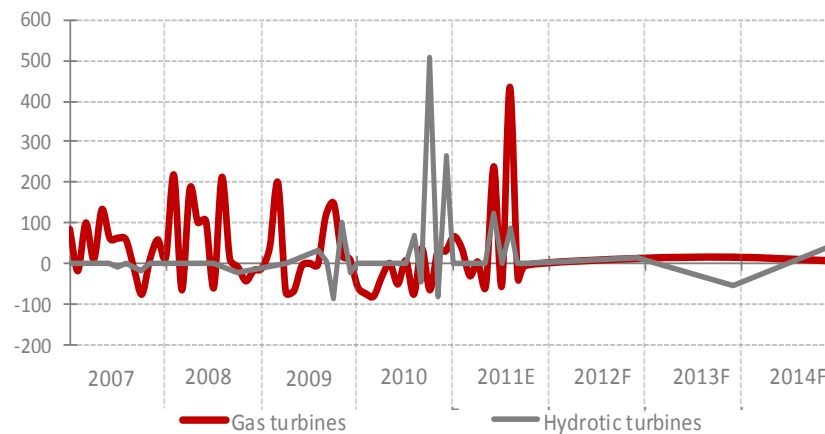
Sources: Metal-Expert, Metal Courier, Russian Statistics Agency, Ministry of Industry and Trade

Steel Consuming Sectors Output Forecast

Steel industry production index forecast, y-o-y, %



Energy machinery production index forecast, y-o-y, %



Transport machinery production Index Forecast, y-o-y, %

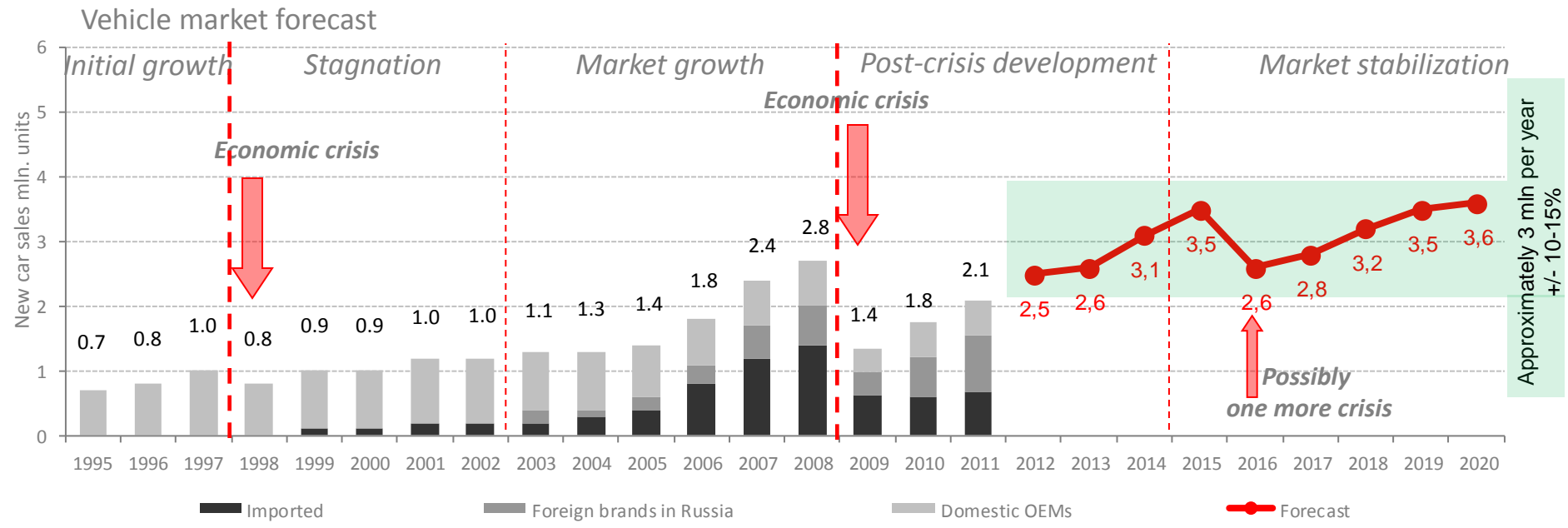


Machinery production index forecast, y-o-y, %

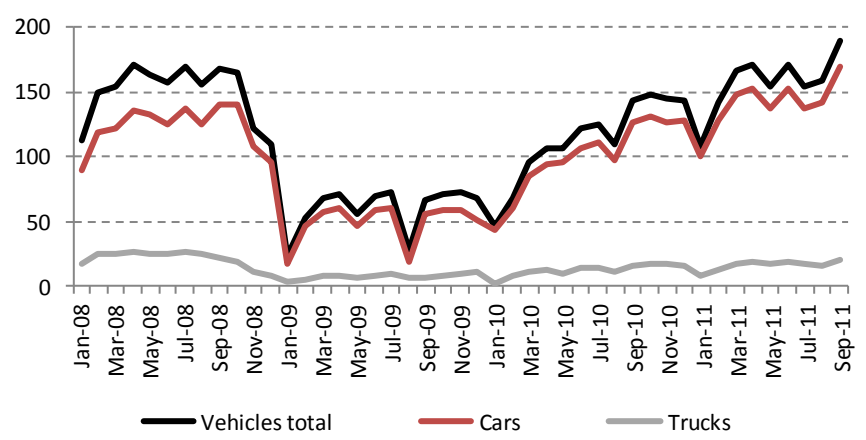


Source: Ministry of Economic Development, Russian Statistics Agency

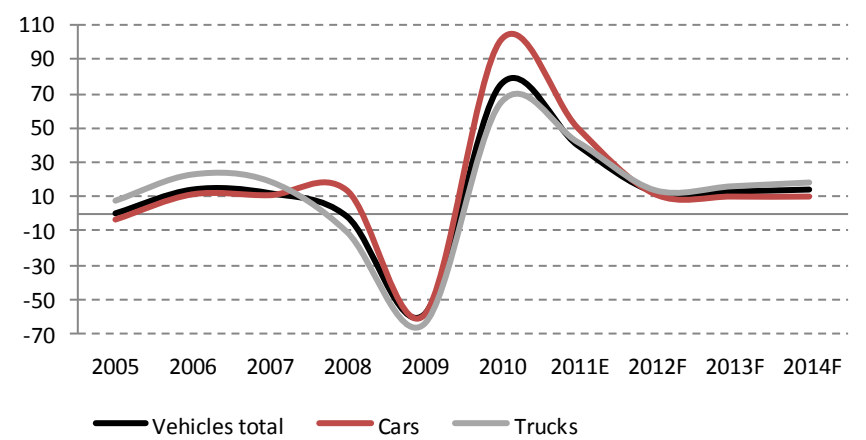
Steel Consuming Sector Output Forecast



Production of vehicles, 000 units



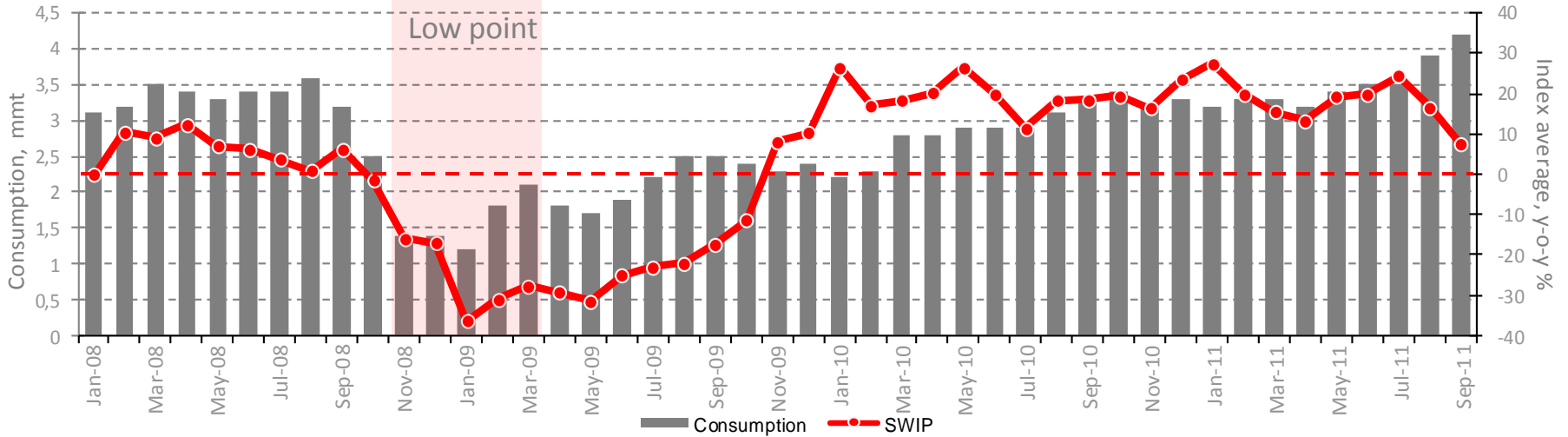
Vehicles production index forecast, y-o-y, %



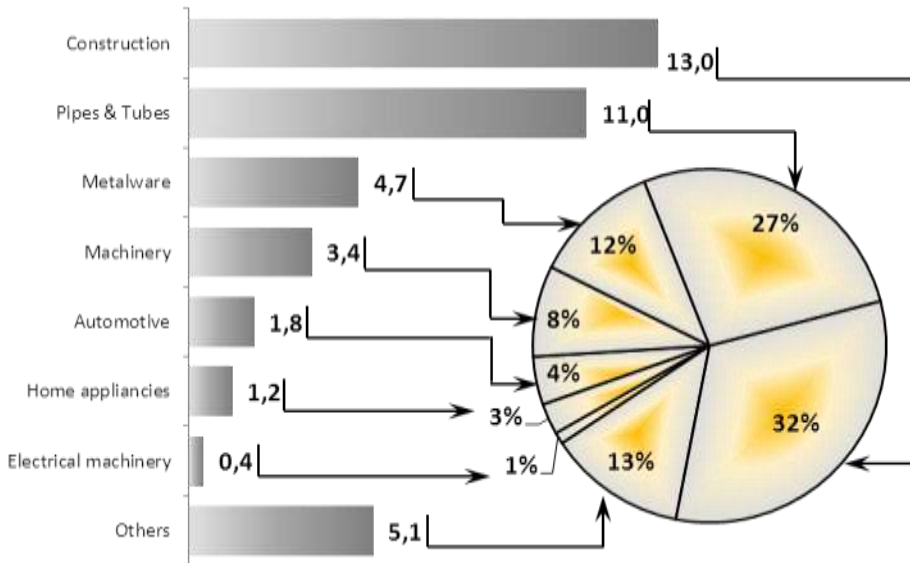
Sources: Ministry of Economic Development, NLMK research; AEB; Autostat; PwC;

Steel consumption in Russia

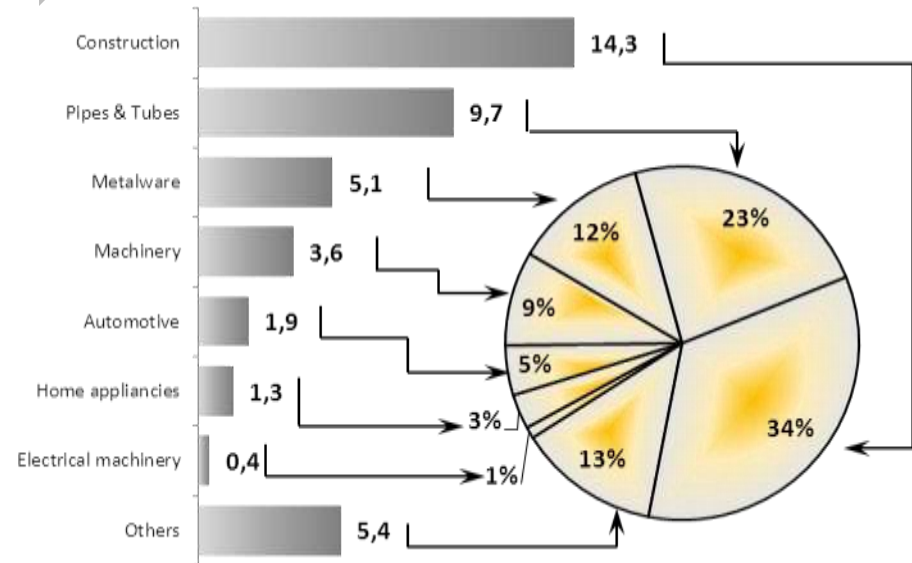
Steel consumption & Russian steel consuming sectors production index average



Steel consumption breakdown by sector, mmt 2011

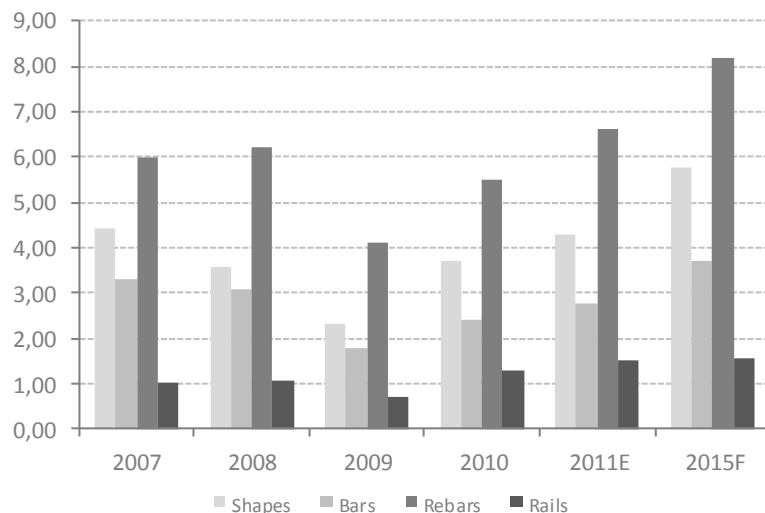


Steel consumption breakdown by sector, mmt 2012

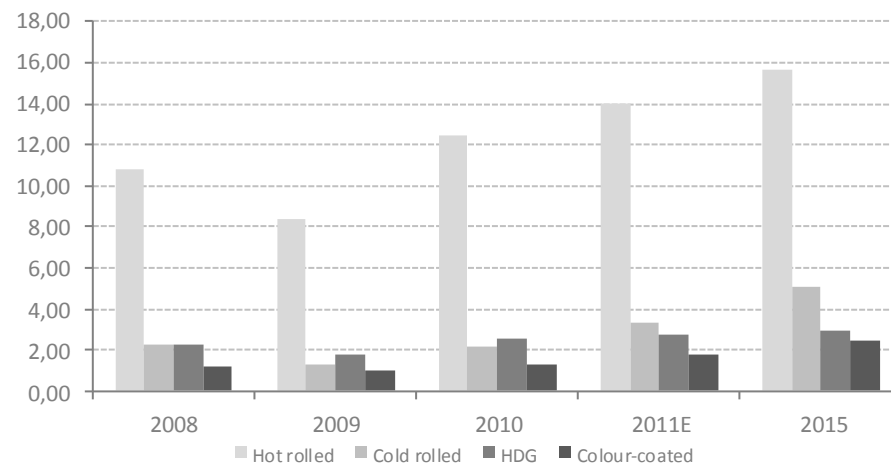


Steel Consumption in Russia Forecast

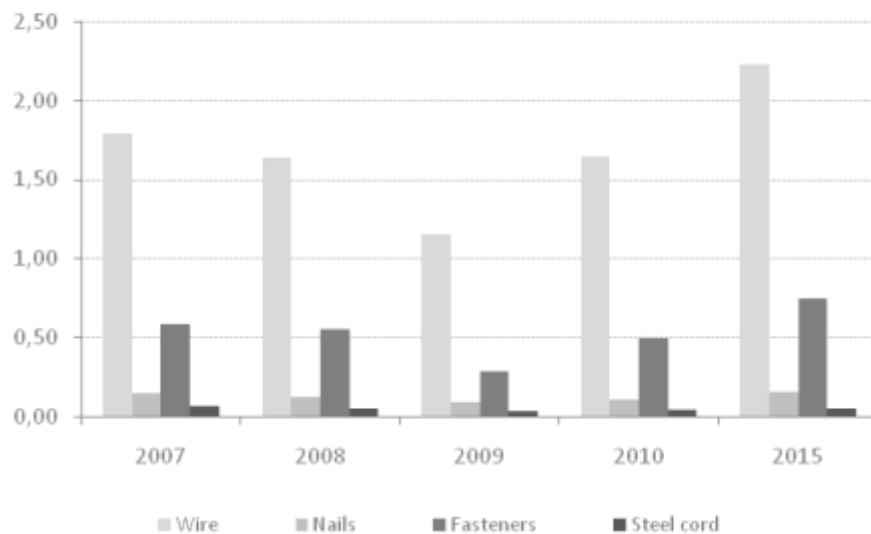
Long product consumption forecast, mmt



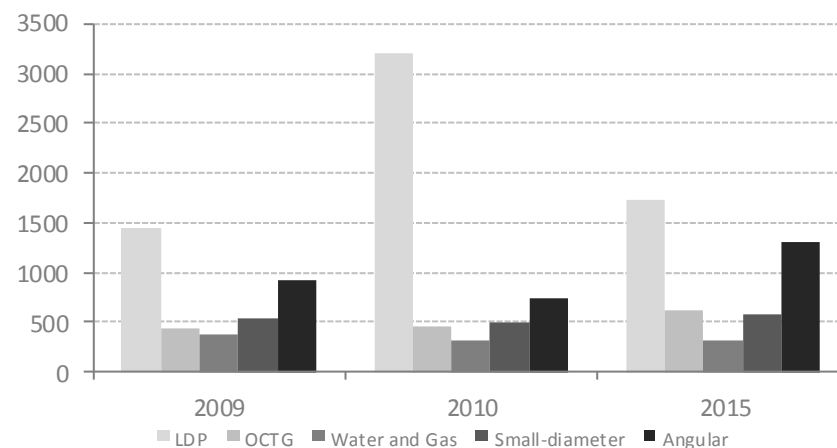
Flat product consumption forecast, mmt



Metalware consumption forecast, mmt



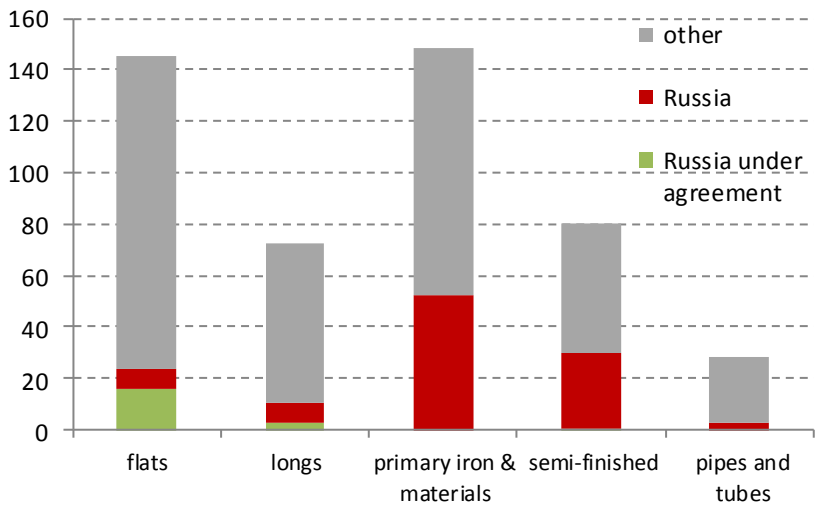
Pipes & tubes consumption forecast, mmt



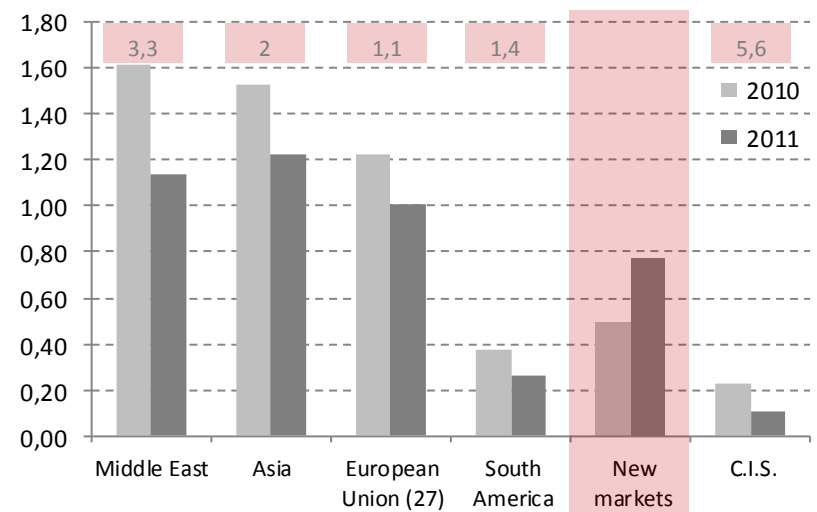
Russia and EU in WTO Regime

- Quotas to the EU will be abandoned following the Russian accession of the WTO
- European steel industry voices concerns about possible inflow of Russian steel into the EU

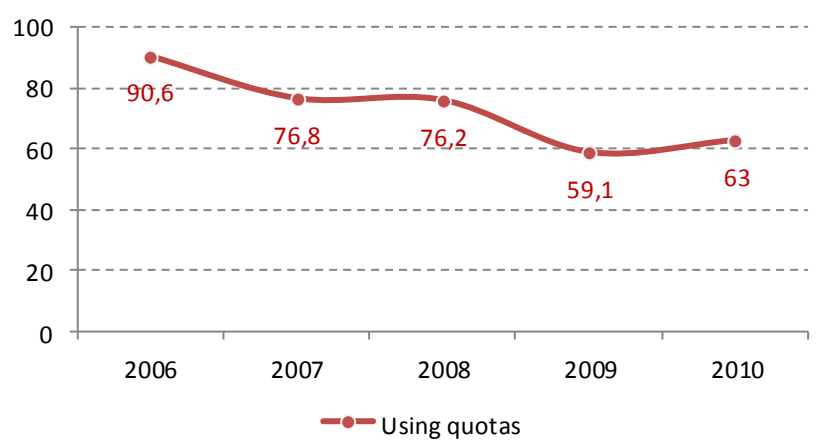
Russian Share in EU iron and steel imports 2001-2011, mmt



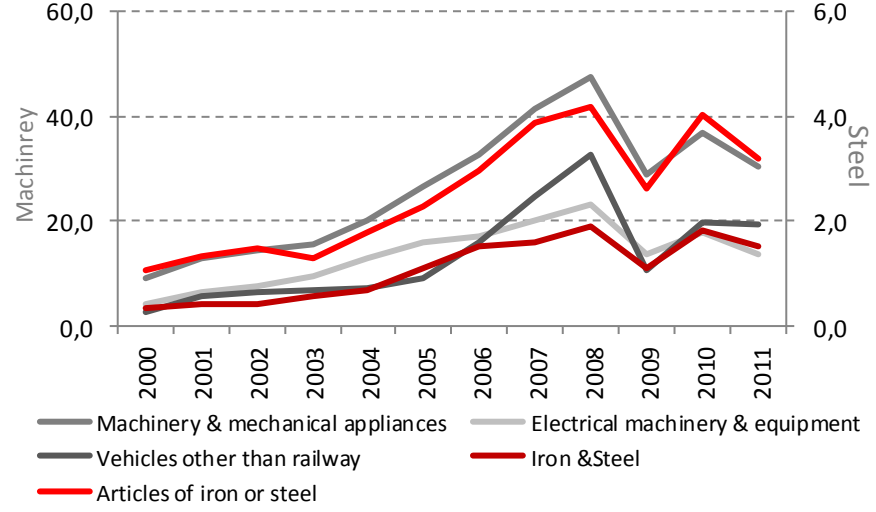
Russia's steel export by main regions, mmt.



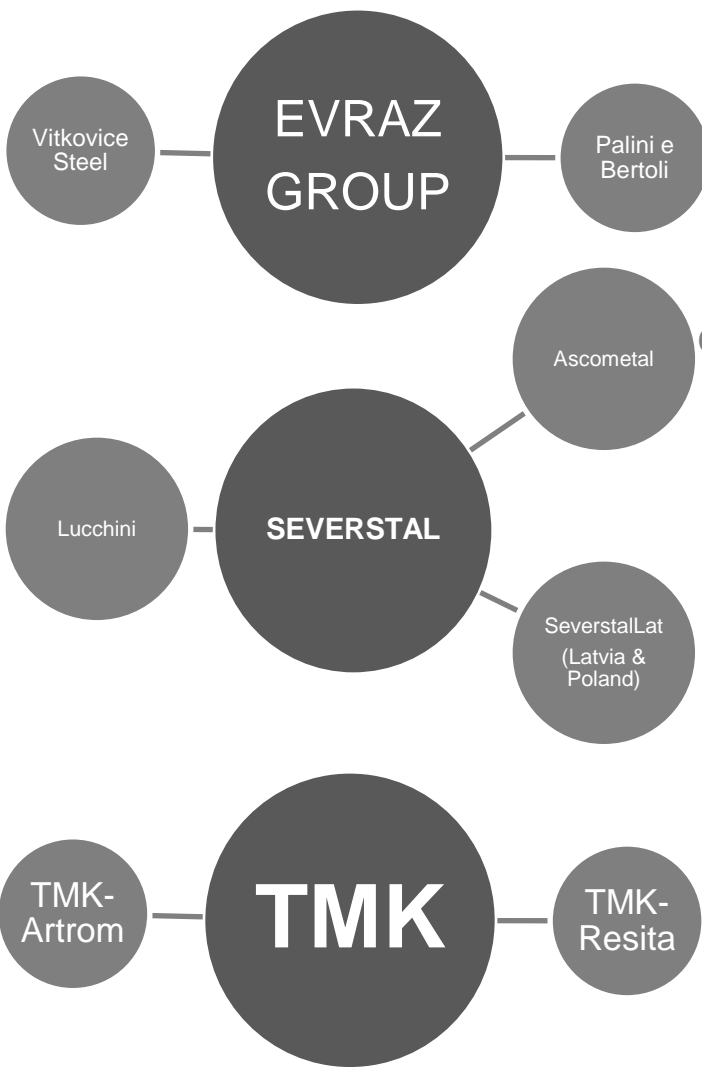
EU quota fill rate by Russian companies, %



EU export to Russia, bln. EUR

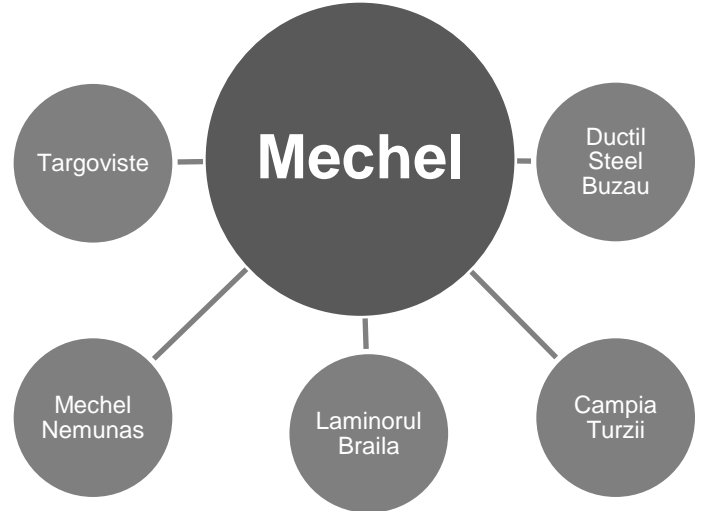
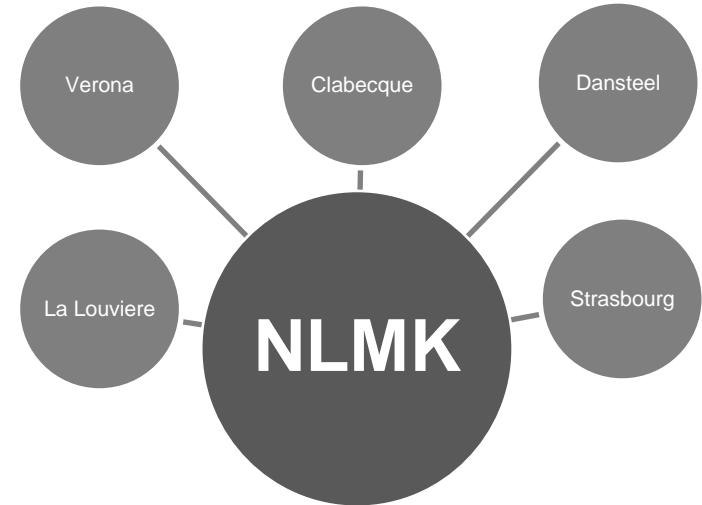


Russian Investments to the EU Steel Sector



Current capacities of Russian companies in the EU

| Product | Capacity |
|----------------|----------|
| Steel | 6291,2 |
| Plate | 3459 |
| Flat-rolled | 2600 |
| Longs | 2496 |
| Seamless pipes | 200 |
| Metalware | 246 |



Russian steel companies are interested in keeping the EU market stable

OECD STEEL COMMITTEE

DEVELOPMENTS IN WORLD STEELMAKING CAPACITY



THANK YOU

Anton Bazulev
Steering-committee member of «Russian Steel»,
Head of external relations, NLMK Group

Paris, December 2011