

STUDY OF THE FINANCIAL AND ECONOMIC SITUATION OF THE LARGE IRON AND STEEL
ENTERPRISES IN THE NINE

(1) The Working Party on General Objectives in Steel asked Arthur D. Little, London, to carry out a study to see what financial resources the iron and steel industries in the Nine would require for long-term investments (1985) and how such requirements could be met.

It was clear that, for these consultants to be able to prepare the forecasts, they would have to be in possession of the most recent information available on the sources of finance used by such undertakings and their profitability. The Business Analysis and Multisectoral Studies Department of the Directorate-General for Industrial and Technological Affairs in the Commission, has collected the information using the analytical data in the tables drawn up by the DAFSA company. One advantage of these data sheets, which are based on the European method employed by financial analysts, is that the basic parameters taken from the balance sheets of the various undertakings are presented in a homogeneous form and so meaningful comparisons and ratios can be produced.

Most of the data sheets (seven) cover five financial years (1968-72), but some, cover two financial years (one sheet) or four (two sheets); this is because the undertakings concerned existed, in their present legal form, only for two or four of the years under consideration.

(2) The following enterprises were studied:

August Thyssenhütte)	
Hoesch AG)	Germany
Stahlwerke Peine Salzgitter)	
Hoogovens		Netherlands
British Steel Corporation		United Kingdom
Cockerill		Belgium
Usinor)	France
Sacilor)	
Italsider		Italy
Arbed		Luxembourg

These enterprises account for 65% of iron and steel production in the Community; as they are the largest groups and companies, and the industry concerned is fairly homogeneous, it may be assumed that the information on them reflects the general tendency and the financial and economic situation of the entire integrated iron and steel industry.

The first Annex to this study contains the data sheets for the individual undertakings or groups, showing the main financial indicators for the years for which figures are available; the second Annex contains a table summarizing the ratios which are considered to be the most significant as regards the economic and financial situation of the enterprises and their profitability.

(3) With the help of weighted averages, these ratios provide a fairly accurate picture of the industry during the period under consideration.

Turnover figures (sales) for the beginning and end of the period show that the average growth rate (for all the enterprises) was approximately 8.4% per annum.

However, this growth rate varies fairly sharply from one enterprise to the next, ranging from 2.6% for A. Thyssen to 17.4% for Cockerill. Another fact revealed by the data sheets in Annex I is that 1971 saw a general decline in sales for all the enterprises, followed by a distinct recovery in the second quarter of 1972.

Production of crude steel by the ten companies analysed averaged approximately 86 million tonnes per annum.

Annex I sets out in full detail the main financial indicators which will make it possible to examine, with the help of a number of ratios, the profitability of each enterprise and any growth which might have taken place.

The following general formula for the activities of an undertaking:

$$\begin{array}{rccccccc}
 \text{T.O.B.T.} & = & \text{R.M.} & + & \text{L.C.} & + & \text{Margin} \\
 (\text{turnover before} & & (\text{raw materials} & & (\text{labour costs}) & & (\text{or gross result} \\
 \text{tax sales}) & & \text{and other} & & & & \text{before depreciation}) \\
 & & \text{purchases}) & & & &
 \end{array}$$

gives a very broad outline of the principal aspects of a financial year.

Particular attention should, however, be paid to the aggregates L.C. + margin, which together make up value added.

Labour costs show the contribution made by labour, and the gross result indicates the funds required to keep the plant in good operating condition (depreciation) and to pay the return on the enterprise's own capital (dividends and reserves) and on outside capital (interest on debts).

Ratios I - II - III (see Annex 2) (weighted averages for the period) are quite important in this connection:

Value added/turnover (Ratio I) is approximately 40% , which means that the cost of production (mainly raw materials) is approximately 60%;

The proportion of labour in total value added is 65% (Ratio II);

The gross result of the enterprise as a proportion of value added is 35% (Ratio III).

However, an examination of Ratio I (value added/turnover) for each enterprise shows fairly marked variations; the figures range from 25.7% (Sacilor) to 48.8% (Hoogovens). In other words, the first enterprise has much higher raw material costs than the second. The main factors behind this are the location of the plants, the ease with which supplies of ores can be obtained and certain market conditions.

In the case of Ratio II (labour costs/value added - average 65%), the differences between enterprises are less appreciable. However, Hoogovens and Usinor are an exception, with labour costs lower than the average (54%). This means that for those two enterprises the gross result before depreciation/value added (Ratio III) is higher, at about 46% compared with an average of 35%.

The percentage is about the same in the case of Italsider too, but here the net result is negative (loss). Italsider is an enterprise belonging to the IRI group and formed fairly recently, which, when it first started operating, had to borrow large amounts of capital for its plant and infrastructure, especially for the Tarente iron and steel works which is among the most modern in Europe. Consequently, its depreciation and financial costs are very high.

Therefore, even though the gross result before depreciation (result/value added 46.8%) is satisfactory, profits at the beginning of the period analysed were very low and a net loss has been recorded in the last three financial years. The company produces a large amount of crude steel (approximately 8 million tonnes per annum); however, it will have to be re-examined on a longer-term basis if a more accurate picture is to be obtained and also to take account of a possible upturn in Italy's general economic situation.

Two other companies have made losses in the last three financial years: Sacilor-France (formerly Wendel-Sidelor) and the British Steel Corporation in the United Kingdom.

The comments made concerning Italsider can also be applied to the British Steel Corporation, although its infrastructure is older: nationalized in 1951, denationalized in 1953 and renationalized in 1967, it currently comprises twelve former iron and steel enterprises. Its result reflects, above all, the current economic situation in the United Kingdom, especially the effects of the British Government's prices policy.

In the case of Sacilor, the merger of Wendel and Sidelor led to an increase in capital as a result of new issues and large investments; the figures should therefore be treated with caution, an improvement in the enterprise's financial result looking likely in the medium term, resulting in particular from new investments (Fos).

In the light of the above, Ratio IV, which is a fair guide to profitability, can be examined.

The numerator shows current after-tax profits, which are not the profits indicated by the enterprise in the balance sheet, but the result calculated on the basis of the financial analysts' European method; the denominator gives own resources (company capital + reserves).

The weighted average for all the enterprises during the period under consideration is relatively low (3.1%); however, fairly considerable variations are to be noted here too: Hoogovens¹ (7.4%), Hoesch¹ (5.1%), Usinor (5.2%). In general these enterprises have plants located on the coast or on large waterways, and this means that savings can be made on transport costs and therefore on the cost of raw materials (ores and furnace coke).

Ratios V - VI - VII represent the amount in u.a. of value added, and of its two components, per unit employee. The figures for Ratios V (value added/employees) and VII (gross result/employees) follow the same pattern as the figures for Ratio I (value added/TOBT), whereas for Ratio VI (labour costs/employees), there are no appreciable variations.

¹These two enterprises merged in 1972; harmonized figures are not yet available for the new company (called ESTEL).

(4) Link between the financial analysis and the economic situation in 1972

After an economic slowdown in 1971, which continued during the first half of 1972, steel markets throughout the world began to expand again; the increase in demand during the second half of the year therefore enabled world production to rise to a high level.

The total world steel output (including production in the People's Republic of China)[†] in 1972 of 628.1 million tonnes was 7.9% higher than the 582 million tonnes produced in 1971. In almost every country the previous record production figures were exceeded, except, however, in the United Kingdom, Germany, Sweden and Luxembourg.

This irregular growth pattern has marked the general trend, particularly in the countries and groups of countries with free market economies, where production developed as follows:

	Production in million tonnes in 1972	% change	
		1972/71	1972/70
EEC	138.5	+9.4 ^x	+3.6 ^{xx}
USA	120.8	+10.9	-0.9
Japan	96.9	+9.4	+3.9

[†]Source: OECD

^x(United Kingdom +4.7)

^{xx}(United Kingdom -9.0)

The year-to-year increase in production in the State-trading countries, with the exception of the People's Republic of China, which, admittedly, were not affected by the economic downswing in 1971, was less vigorous. The figures for the principal countries or groups of countries were as follows:

	Production in million tonnes in 1972 ¹	% change	
		1972/71	1972/70
USSR	126.0	+4.4	+8.7
Other COMECON countries	44.5	+5.0	+11.0
People's Republic of China	23.0	+9.5	+24.3

Output increased in all the Member States of the Community of the Nine in 1972, but the rates varied considerably from country to country, reflecting once again the lack of homogeneity of market conditions. The 9.4% increase for 1972/71 shown in the table on the previous page can be broken down as follows between the various Member States:

	Production in million tonnes in 1972	% change	
		1972/71	1972/70
Germany	43.703	+8.4	-3.0
France	24.054	+5.3	+1.2
Italy	19.784	+13.4	+14.6
Belgium	14.530	+16.8	+15.3
Netherlands	5.580	+9.8	+11.0
Luxembourg	5.457	+4.1	0
United Kingdom	24.200	+4.7	-9

¹Source: ECSC statistics

However, turnover did not increase in line with the higher tonnages produced. Prices, which had begun to mark time in mid-1971, mainly as a result of the slackening in steel consumption, became even more depressed as users ran down their stocks and imports from non-member countries rose. The recovery of export demand and the upturn in the economic situation together helped to restimulate the price trend from autumn 1972.

Some of the factors behind the slow but sure recovery of the iron and steel market were:

- the easing of the pressure of imports from Japan, following the recovery of the domestic market and the opening up of the Chinese market;
- the reversal of the previous tendency in the East-bloc countries, which resumed purchases, after unloading their products in past years on the western markets at particularly low prices;
- the general revival of activity in the Community.

However, increased output, better prices and even productivity gains could do little to offset the soaring production costs in the 1972 financial year (end of the period analysed).

The large wage increases granted at the beginning of the year by the entire European iron and steel industry were the major factor here. In spring 1972 wages in most European countries were approximately 10% higher than at the same time in 1971. These increases gave an exceptionally sharp twist to the inflationary spiral, a trend that continues to be the main cause of concern for all European countries.

Production costs rose still further as a result of the upsurge in the cost of the materials making up the charge, and particularly the further increase in the price of coke.

Under the combined impact of virtually stationary selling prices, increased labour costs and the rise in the cost of the materials making up the charge, the results of the iron and steel companies in 1972 could not in general be termed satisfactory.

Without being over-optimistic, better financial results may be expected in the short term, as industrial activity has now clearly recovered. In reality, however, this optimistic forecast could be tempered by a general increase in raw material prices due to the recent oil crisis.

ENTERPRISE August THYSSEN COUNTRY Germany MONETARY UNIT Million

INDUSTRY

Year	Prod. Crude oil (million tonnes)	Turn-over before tax	Value added	Gross result before deprec.	Deprec. on tangible fixed assets	Current profits before tax	Current profits after tax	Own resources	Current self-financing	Borrowings	Funds earmarked for capital projects	Cost of raw materials	Labour costs	Employees (1 000)
30.9.69	12.2	9 099	3 103	1 224	674	449	155	3 166	756	985	790	-	1 834	106.3
30.9.70	12.6	10 881	3 489	1 470	676	666	240	3 368	940	1 048	1 099	-	1 988	97.5
30.9.71	11.8	10 380	3 181	1 055	749	157	(-16)	3 217	663	1 231	1 178	-	2 109	95.1
30.9.72	11.6	9 815	3 180	1 071	692	189	48	3 426	690	855	734	-	2 140	92.2
Total 4 years	48.2	40 175	12 953	4 772	2 791	1 461	427	13 177	3 089	4 122	3 801	-	8 071	391.1
							Conversion rate: 1 u.a. = DM 3.66							
	Million u.a.	10 976.8	3 539	1 305.5	762.6	393.2	116.7	3 600.3	833	1 126.2	1 038.5	-	2 205.2	-

COUNTRY: Germany

ENTERPRISE: Hoesch (AG)

INDUSTRY: Steel

Year	Production Crude steel million tonnes	Turnover before tax	Value added	Gross result before deprec.	Deprec. On tangible fixed assets	Current profits before tax	Current profits after tax	Current self- financing	Borrow- ings	Funds ear- marked for capital projects	Cost of raw materials	Labour costs	Employees (1,000)	Own resources	
30.09.1968	5.4	2 315	999	259	135	89	47	140	238	138	1 267	739	63.8	1 317	
30.09.1969	6.1	2 447	1 014	262	113	129	60	135	372	160	1 161	751	62.2	1 314	
30.09.1969	6.7	2 824	1 046	322	142	197	98	217	303	205	1 470	724	52.4	1 392	
30.09.1970	6.8	3 859	1 510	443	198	259	121	268	500	383	2 146	1 066	53.0	1 794	
30.09.1971	6.3	3 855	1 598	405	197	207	67	288	479	323	2 073	1 187	50.6	1 914	
TOTAL 5 years	31.3	15 300	6 167	1 691	785	881	393	1 048	1 892	1 209	8 117	4 467	282.0	7 731	
						Conversion rate: 1 u.a. = DM 3.66									
	Million u.a.	4 180.3	1 635	462	214.5	240.7	107.4	285.3	516.9	330.3	2 217.8	1 220.5	-	2 112.3	

NB.: HOESCH (AG) has merged with Hoogovens to form "VESTEL". No harmonized data are available yet.

INDUSTRY: Steel

Year	Production crude steel million tonnes	Turnover before tax	Value added	Gross result before depreciation	Deprec. on tangible fixed assets	Current profits before tax	Current profits after tax	Current self-financing	Borrowings	Funds earmarked for capital projects	Cost of raw materials	Labour costs	Employees (1000)	Own resources	
October 1971	4.03	1 749	676	246	114	88	113	154	155	906	429	(23)	909		
October 1972	4.03	1 712	617	176	131	35	111	228.5	198	886	441	(23)	965		
OTAL 2 years	8.11	3 461	1 293	422	245	149	224	382.5	353	1 792	870	46	1 874		
							Conversion rate: 1 u.a. = DM 3.66								
	Million	945.6	353.3	115.3	66.9	40.7	29	61.2	104.5	96.5	489.6	237.7	-	512	
	n.a.														

INDUSTRY : Steel ENTERPRISE : Hoogovens COUNTRY : Netherlands MONETARY UNIT: Million Fl

Year	Production crude steel (million tonnes)	Turnover before tax	Value added	Gross result before depreciation	Deprec. on fixed assets	Current profits before tax	Current profits after tax	Current self-financing	Borrowings	Funds earmarked for capital projects	Cost of raw materials	Labour costs	Employees (1 000)	Own resources
31.12.1967	3.1	1 237	662	300	126	182	111	220	191	346	575	352	18.9	1 539
31.12.1968	3.4	1 417	683	311	134	189	122	209	390	466	734	372	20.8	1 774
31.12.1969	4.3	1 749	824	375	147	222	149	252	496	489	925	449	23.2	1 923
31.12.1970	4.6	2 133	1 036	503	219	283	170	393	617	438	1 097	533	24.0	2 069
31.12.1971	4.6	2 149	1 034	458	221	194	140	385	909	570	1 115	576	24.2	2 103
TOTAL 5 years	20.0	8 685	4 239	1 947	847	1 070	692	1 459	2 603	2 309	4 446	2 292	111.1	9 408
Conversion rate: 1 u.a. = Fl 3.62														
	Million u.a.	2 399	1 171	537.8	234	295.6	191.2	403	719	637.8	1 228.2	633.1	-	2 598.9

NB.: Hoogovens merged with Hoesch AG in 1972 to form "ESTEL"

INDUSTRY: Steel

ENTERPRISE: British Steel Corporation

COUNTRY: UK

MONETARY UNIT: £ million

Year	Production of crude steel million tonnes	Turnover before tax	Value added	Gross result before depreciation	Depreciation on fixed assets	Current profits before tax	Current profits after tax	Current self-financing	Borrowings	Funds earmarked for capital projects	Cost of raw materials	Labour costs	Employees (1 000)	Own resources
30.03.1969	24.6	1 195	-	92	98	(-28)	(-30)	88	73	84	-	-	254.4	-
31.03.1970	12.5	1 632	-	69.8	50.5	6.1	5.7	55	107	53	-	-	128.1	750.0
31.03.1971	25.7	1 457	-	116	93	(-2)	(-2.9)	90	182	160	-	-	252.4	757.3
31.03.1972	20.7	1 292	611	67	98	(-63)	(-63.2)	16	158	246	(681)	(416)	229.7	694.2
31.03.1973	24.2	1 478	734	125	98	(-8)	(-10)	81	271	211	(744)	(481)	226.6	734.5
TOTAL 5 years	107.1	6 104	1 345 (2)	469.8	437.5	(-95.9)	(-100.4)	310	791	754	-	897 (2)		2 936.1
								Conversion rate: 1 u.a. = £ 0.4167						
	Million u.a.	14 648.4	3 227.8 (2)	1 127.4	1 049.9	(-230)	(-240.8)	743.9	1 898.2	1 809.5	-	2 152.6	(2)	7 046.6

INDUSTRY : Iron and steel ENTERPRISE: Cockerill COUNTRY : Belgium MONETARY UNIT: million Bfrs
 (Cockerill-Ougrée-Providence et Espérance longloz) Page 6

Year	Production crude steel million tonnes	Turnover before tax	Value added	Gross result before depreca- ssets	Deprec. on fixed assets	Current profits before tax	Current profits after tax	Current self- financing	Borrow- ings	Funds ear- ned for capital projects	Cost of raw materials	Labour costs	Employees (1 000)	Own resources	
31.12.1968	6.2	22 892	9 393	2 119	1 482	10.1	10.1	1 489	1 061	963	n-d	7 274	39.8	14 635	
31.12.1969	6.4	27 357	11 923	4 126	2 087	1363.0	1 245.0	2 759	3 159	2 593	n-d	7 797	40.0	15 273	
31.12.1970	6.1	40 528	17 173	6 444	3 753	1639.0	1 156.0	4 169	4 272	4 311	-	10 730	39.9	19 587	
31.12.1971	5.8	37 444	13 898	3 143	1 973	299.0	299.0	2 269	3 758	3 572	-	10 755	37.3	19 155	
31.12.1972	6.8	44 522	15 766	3 090	2 123	84.0	84.0	1 973	2 158	3 266	-	12 477	36.6	19 710	
TOTAL 5 years	31.3	172 743	68 153	18 922	11 418	3 395.1	2 795.1	12 659	14 408	14 705	-	49 033	193.6	89 070	
						Conversion rate: 1 u.a. = Bfrs 50									
	Million u.a.	3 454.9	1 363.1	378.5	228.4	67.9	55.9	253.2	288.2	294.1	n-d	980.7	-	1 781.4	

* Financial year: 6 months ending 31 December 1969.

INDUSTRY : Iron and steel ENTERPRISE : Usinor COUNTRY : France MONETARY UNIT: million FF ANNEX 1
Page 7

Year	Production crude steel million tonnes	Turnover before tax	Value added	Gross result before deprec.	Deprec. on tangible fixed assets	Current profits before tax	Current profits after tax	Current self- financing	Borrow- ings	Funds ear- marked for capital projects	Cost of raw materials	Labour costs	Employees (1 000)	Own resources
31.12.1968	6.4	2 810	1 053	328	181	(-0.13)	(-0.13)	149	389	357	1 495	724	35.3	1 273
31.12.1969	7.5	3 834	1 734	917	626	130	102	642	943	528	1 926	817	36.9	1 577
31.12.1970	8	5 084	2 486	1 527	1 000	431	235	1 178	1 290	680	2 404	959	38.0	1 638
31.12.1971	7.4	4 987	1 731	667	400	111	75	360	1 160	1 481	2 854	1 064	38.5	1 897
31.12.1972	8.1	5 274	1 857	668	285	158	99	266	2 066	1 846	2 233	1 189	39.3	1 793
TOTAL 5 years	37.4	21 989	8 861	4 107	2 492	839.9	510.9	2 595	5 848	4 892	10 912	4 753	188.0	8 178
								Conversion rate: 1 u.a. = FF 5.55						
	Million u.a.	3 962	1 596.6	740	449	149.4	92	467.6	1 053.7	881.4	1 966.1	856.4	-	1 473.5

INDUSTRY : Steel

ENTERPRISE : Sacilor
(formerly Wendel-Sidelor)

COUNTRY : France

MONETARY UNIT: Million FF
Page 8

Year	Production in million tonnes	Turnover before tax	Value added	Gross result before deprec-	Deprec. on fixed assets	Current profits before tax	Current profits after tax	Current self- financing	Borrow- ings	Funds ear- marked for capital projects	Cost of raw materials	Labour costs	Employees (1 000)	Own resources
31.12.1968	7.6	3 678	1 227	289	140	5	2.5	109	320	362	1 203	940	47.2	1 592
31.12.1969	7.9	4 323	1 507	484	250	61	48.8	249	276	279	1 335	1 021	48.4	1 584
31.12.1970	8.2	5 906	1 927	793	304	279	148.6	505	637	340	1 932	1 134	48.6	1 976
31.12.1971	8.1	5 887	1 264	46	24	(-201)	(-201)	(-177)	(-129)	407	2 043	1 216	45.3	1 990
31.12.1972	8.4	6 466	826	(-84)	65	(-378)	(-378)	(-313)	239	227	4 508	907	41.9	1 598
TOTAL 5 years	40.2	26 260	6 751	1 530	783	(-234)	(-379.1)	373	1 343	1 615	11 018	5 218	231.4	8 740
Conversion rate: 1 u.a. = FF 5.55														
Million														
	u.a.	4 731.5	1 216.0	275.7	141.1	(-42.2)	(-68.3)	67.2	242	291	1 985.2	940.2	-	1 574.8

* The very considerable increase in the cost of raw materials and goods in 1972 was due to the purchase of manufactured products from the Solliac company.

INDUSTRY : Steel

ENTERPRISE : Italsider

COUNTRY : Italy

MONETARY UNIT: Thousand
thousand million lire

Year	Production crude steel million tonnes	Turnover before tax	Value added	Gross result before depreca- sion	Deprec. on fixed assets	Current profits before tax	Current profits after tax	Current self- financing	Borrow- ings	Funds ear- marked for capital projects	Cost of raw materials	Labour costs	Employees (1 000)	Own resources	
31.12.1967	7.9	498.4	216.7	112.3	43.5	5.6	3.8	38.5	78.4	68.3	290.0	104.4	38.0	303.1	
31.12.1968	8.7	554.2	251.6	134.6	46.7	18.4	17.3	55.3	119.5	72.0	300.8	117.0	37.4	303.9	
31.12.1969	8.1	607.6	254.9	147.0	58.5	18.5	16.4	63.9	95.7	76.2	338.6	107.9	39.0	304.7	
31.12.1970	8.3	663.4	282.9	125.9	58.5	(-11.5)	(-14.0)	53.4	105.8	144.8	495.8	157.1	44.3	295.0	
31.12.1971	8.0	668.4	283.5	100.6	58.5	(-44.4)	(-44.7)	24.4	314.0	342.1	722.9	182.9	44.0	263.0	
31.12.1972	8.4	720.6	348.7	146.2	58.5	(-17.2)	(-17.5)	55.5	498.4	456.6	825.7	202.5	48.4	284.0	
TOTAL 5 years	49.4	3 712.6	1 638.3	766.6	324.2	(-30.6)	(-38.7)	291.0	1 211.8	1 160.0	2 973.8	871.8	251.1	1 753.7	
									Conversion rate: 1 u.a. = Lit 625						
	Million u.a.	5 940.2	2 621.1	226.6	518.7	(-49)	(-62)	465.6	1 938.9	1 856.0	4 758	1 394.9	-	2 805.9	

Year	Production Crude Steel million tonnes	Turnover before tax	Value added	Gross result before deprec.	Deprec. on fixed assets	Current profits before tax	Current profits after tax	Current self- financing	Borrow- ings	Funds ear- marked for capital projects	Cost of raw materials	Labour costs	Employees (1 000)	Own resources
31.12.1969	4.8	29 000	10 473	3 337	1 729	1 608	1 628	2 671	2 776	2 369	n.d.	7 116	31.8	20 646
31.12.1970	4.9	36 500	13 771	3 820	1 944	1 919	1 947	2 973	2 933	4 513	n.d.	9 860	32 -	21 709
31.12.1971	4.7	29 080	10 285	2 421	1 942	327	351	1 718	2 724	5 003	n.d.	7 864	30.9	21 667
31.12.1972	4.9	26 670	10 221	1 892	1 903	(-171)	(-171)	1 366	2 673	4 555	n.d.	8 329	27.5	21 547
TOTAL 4 years	19.3	121 250	44 750	11 470	7 518	3 683	3 755	8 728	11 070	16 440	n.d.	33 189	122.2	85 569
					Conversion rate: 1 u.a. = Lfrs 50									
	Million u.a.	2 425	895	229.4	150.4	73.7	75.1	174.6	221.4	328.8	n.d.	663.8		1611.4

*Excluding the subsidiary Arbed-F und G. Drahtwerke, Cologne GmbH/comparable turnover for 1971: Lfrs 25 749.71

TABLE OF IMPORTANT RATIOS FOR IRON AND STEEL ENTERPRISES

INDUSTRY : Steel

COUNTRY	(PERIOD) ENTERPRISE	TURNOVER BEGINNING AND END OF THE PERIOD m u.a.	Before tax % annual growth rate	TOBT Average for the period m u.a.	RATIO			IV Profits after tax/ own resources	PERIOD	million tonnes	u.a. (absolute values)		
					I value added/ TOBT %	II costs/ value added %	III gross value added %				u.a.	Ratio	
Germany	(1969-1972) August Thyssen	2 486	2.6	2 744.2	32.2	62.3	37 -	3.2	4 years	48.2	9 050	5 640	3 410
Nether- lands	(1967-1971) HOECHST AG	632.5	13.7	836.1	40.3	72.4	27.4	5.1	5 years	31.2	5 975	4 320	1 650
	(1971-1972) STEELESCOPE	477.9	-	472.8	37.4	67.3	32.7	1.6	2 years	3.1	7 680	5 167	2 510
Nether- lands	(1967-1971) HOOGHOVEN	341.7	14.8	479.8	43.8	54.1	45.9	7.4	5 years	20.0	10 540	5 698	4 850
UK	(1969-1972) British Steel Corporation	2 867.8	7.3	3 255.2	48.6	66.7	(12.9)	Loss.	4 years	107.0	(figures not harmonized) 7 078	4 721	(914)
Belgium	(1968-1972) GEORGIN	457.8	17.4	691.0	39.5	72.0	23.0	3.1	5 years	31.3	7 041	5 066	1 975
France	(1968-1972) USINOR	506.3	17.1	793.4	40.3	53.6	45.4	6.2	5 years	37.4	8 493	4 555	3 938
	(1969-1972) SACILOR	662.7	15.2	946.3	25.7	77.3	22.7	Loss	5 years	40.2	5 257	4 063	1 194
Italy	(1967-1972) ITALSIDER	783	8.0	990.0	44.1	53.2	46.8	Loss	6 years	49.4	10 439	5 555	4 884
Luxembourg	(1969-1972) AREED	580	-	606.3	36.9	74.2	25.6	4.7	4 years	19.3	7 324	5 432	1 887
	Total average	9 796	8.7	11 817	40	65	35	3.1	average per year	392.1	7 930	5 055	2 925

In 1972 Hoesch AG merged with Hoogovens (Netherlands).
Harmonized figures relating to the new company (Estel) are not available yet.