

Sundeep Rao has graduated in Computer Science from University of Colorado, USA. He has been part of Sohar Steel as technical director for past 15 years. In that time the rolling mill has grown from a production 2500 tons



SUNDEEP RAO

per month to 25,000 tons per month. They have already installed a melting plant of capacity 360,000 TPA and are in process as earlier stated for expanding both the melting facility and installing a new rolling mill.

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UAE Steel Demand Stable

is ofcourse the decline in oil prices. As government cut budgets, we expect that there will substantial demand declines.

What is your take on 'China Factor' in this region ?

- China is definitely a threat to the steel industry of the region. So far their inroads into finished products have been limited by quality considerations. However, it appears that the Chinese mills will continue to aggressively target all export markets due to their domestic difficulties. It would be prudent for government in the region to enact more protections for the local industry.

What are the Short term & Long term prospects for Iron & Steel industry in the Middle- East region ?

- In the short term, the demand scenario is still stable. Over the medium term, we expect difficulties in demand due to the lowering of government budgets. However, in the longer term, we expect that oil price revival and population growth will lead to increased demand.

Tell us something about present facilities & future plans of Sharq Sohar Steel.

- At present, we are operating our two rolling mills for rebar, with total capacity of approximately 850,000 tons. We have an Arc Furnace with billet capacity of 600,000 tons, but we are operating the Furnace only intermittently due to the non viability of billet production from scrap at current price levels. We prefer to import billets to feed our rolling mills. We have no future expansion plans at this time, and are concentrating on consolidating our position in the market.



What is the present status of Iron & Steel industry in Gulf region ?

- The demand scenario is still stable, though there is expectation that demand will decline as government cut budgets due to the lower oil prices. Ofcourse due to the decrease in price many mills are finding it difficult to cover their cost of operation. Nevertheless, there is no expectation that any mill will cut production or have financial difficulties in the short term. We do not expect any major changes in either the demand or supply scenario for the short term. Over the longer term it would depend on each mill individual position wither respect to their financial conditions and also if there would be a revival in margins. Obviously, there is no investment in new capacity at this time. Some off line capacity in rolling might restart due to the enhanced billet to rebar margins.

What factors have contributed to the present demand stagnation ?

- The major issue for no increase in demand