

## Chinese steel imports worries Iranian producers - ASPI

IRNA cited Mr. Bahram Sobhani head of the Association of Steel Producers of Iran as saying that the volume of cheap steel imports from China has increased which has caused great concern among domestic producers.

Mr. Bahram Sobhani further remarked that the price of iron ore and production costs is very low in China and for this reason by increasing the volume of export to other countries including Iran; problems are created for domestic producers.

He said that production cost is very high in Iran and as a result final price of steel is much more than its import; therefore for lowering the high production cost several demands have been conveyed to different sectors but so far no result has been achieved in this connection.



Mr. Sobhani noted, "Producers in addition to reducing production costs are dealing with the removal of their due banking payments and for this purpose have held different sessions with the Central Bank of Iran. Meanwhile, given that banking dues

have resulted in inactivity of producers bank officials have promised payment of working capitals to the producers."

He stressed that the government can at least practice the required management for supporting domestic producers by enforcing limitations on the steel imports into the country.

Domestic producers in the first seven months of the current year (started March 21) produced over 1,107,750 tonnes of steel ingots and their total steel products during this period amounted to 3,063,700 tonnes. The highest steel production in the first seven months of the current year was related to the month of Shahrvivar (August to September) with 167,100 tonnes while in the month of Farvardin (March/April) the figure was 143,800 tonnes.

## Gulf steel sector poised for major growth - WSA

The Gulf steel sector is poised for a major growth as the GCC states are among the highest consumers of iron and steel products, well above the global average of 240 kg per person, a report of the World Steel Association said.

It noted that the per capita consumption of finished steel is 323 kg in Saudi Arabia, 385 kg in Kuwait, 1,288 kg in Qatar and 1,309 kg in UAE.

These figures were released in connection with the announcement of the inaugural edition of Metal Middle East 2015, the international trade fair for metallurgical technology, thermo process technology, foundry machinery and metal working tools, that will be held on Jan. 10 to 13, 2015 in the Dubai International Convention & Exhibition Centre.

Satish Khanna, General Manager, Al Fajer Information and Services, co-organizers of Metal Middle East 2015 with German exhibition organizer Messe Dusseldorf, said, "Iron and steel producing countries, especially the European ones, represent a promising new market for Dubai exports. Many countries showed high potential for imports of iron and steel and Dubai is always looking for new markets to export iron and steel."

Jeen Joshua, Group Project Manager of Metal Middle East 2015, added, "The UAE is

regarded as the most important hub for trade between Europe and Asia as far as metals industry is concerned. Huge investments in construction projects are dramatically driving this industry. Metal 2015 offers the joining, cutting and surfacing industries of the West an ideal platform for making forays into this promising market."

"The construction and manufacturing sectors are strong and important components of the Middle East's economic engine. Buoyed in particular by the booming oil markets, construction and manufacturing have been boosting the demand for the metals industry and relevant technologies," added Khanna.

The first edition of Metal Middle East 2015 anticipates that the MENA region countries would become important global centers for producing iron and steel in the next 5 to 10 years.

In the MENA region, steel demand is expected to grow by 6.1 percent to 66.7 Mt in 2014 after a 0.9 percent increase in 2013.

Growth in the region is strengthening as political uncertainties moderate. Strength in



the non-oil sector in the GCC (Gulf Cooperation Council) countries is expected to stretch into 2014 and the Egyptian economy as well as the rest of the region will continue to recover. In 2015, steel demand in the region is expected to grow by 9.4 percent. Overall apparent steel use growth in the developed economies will be above 2 percent in 2014 and 2015, however the developing and emerging economies will continue to grow faster than the developed economies despite their more subdued performances. The global steel demand recovery continues but growth is stabilizing at a lower rate with continued volatility and uncertainty leading to a challenging environment for steel companies.