

## Sabic Steel Products Sales Total 6m Tonnes

With sales reaching around 6 million metric tonnes a year, Saudi Basic Industries Corporation (Sabic) meets half the local demand for steel products, a senior executive said.

"Sabic is the first company in the region to offer customised products and services to keep pace with local demands, such as earthquake-resistant reinforcing bars specifically produced for Saudi Aramco projects," said Abdulziz Al-Humaid, Sabic executive vice president, metals.

He was speaking following the company's successful participation as a platinum sponsor in the 4th International Steel, Steel Fabrication and Metallurgy Exhibition (Metal & Steel/ Fabex Saudi Arabia 2015) in Riyadh from April 6 to 9.

The exhibition showcased state-of-the-art



Mohd. Al-Ghamdi from Sabic Receives a Plaque from Abdulrahman Al-Zamil, Chairman, Riyadh Chamber of Commerce and Industry

products, technology, and equipment relating mainly to iron and steel plants. Among the sectors represented were construction, oil and gas, petrochemicals, electricity, energy, automotive, aviation, and cement.

Commenting on Sabic's participation in the exhibition, Yousef Al-Benyan, Sabic Vice

Chairman and CEO, said, "Sabic is enthusiastic about participating in such events that centre on our key products – in this case, metals. This is particularly so, given the fact that Sabic enjoys a strong market position and a global status as a leading metals manufacturer. Moreover, international exhibitions are an important opportunity for us to get closer to our customers."

Through its manufacturing affiliate, Saudi Iron and Steel Company (Hadeed), the largest integrated complex for iron and steel production in the Middle East, Sabic produces long and flat products, meeting the highest international standards and specifications. It provides innovative products and quality services through excellence in all its operations.

## Abu Dhabi Ports to Build Steel Foundry



In a bid to build a steel foundry producing automotive parts in the emirate, Abu Dhabi Ports has signed an agreement with Advanced Manufacturing Solutions (AMS), a subsidiary of the FourWinds Group of Companies. Products such as brake disks and brake calipers will be produced for the global automotive industry at the factory in Khalifa Port's Industrial Zone (Kizad).

The new foundry will be developed in three phases and ultimately will have a capacity of 300,000 metric tonnes per annum, making it among the largest single-source foundries in the world producing automotive parts, a statement said. The steel foundry products will cater for both local and international markets, exporting via Khalifa Port, for end use by high-end vehicle

manufacturers such as BMW, VW, and Mercedes-Benz as well as world leading automotive parts companies.

One such company, Continental Teves, has entered into an agreement to buy the full output of AMS's first production line to support Continental's demand from its European markets and its long-term strategy for the region.

Phase 1 of the foundry, estimated at \$140 million, will have an installed capacity of 75,000 metric tonnes per annum, and will produce grey iron for brake discs and ductile iron for brake calipers.

Phase 2 of the project will increase the capacity up to 145,000 metric tonnes per annum and Phase 3 will take the capacity to 300,000 metric tonnes per annum.

Vivek Rao, CEO of FourWinds Capital Management, said. "Our company's strategic choice of Abu Dhabi, and Kizad as the target location of the foundry, falls within the Group's quest to achieve the highest standards at all levels."

The statement said the new steel foundry represents one component of a series of investments that AMS plans to undertake in Abu Dhabi.

## Iran to Implement Pending Steel Projects

According to reports, Iran's government has allocated funds for implementing seven pending steel projects, which were stalled for a long time by a Chinese company. The projects are located in the cities of Shadegan (Kuzestan province), Sefid Dasht (Chaharmahal-Bakhtiari), Mianeh (East Azarbaijan), Neiriz (Fars), Qaenat (South Khorasan), and Sabzevar (Khorasan Razavi), said the report.

Meanwhile, the Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO) also announced that the annual output of Iran Alloy Steel Company has increased by at least 15 per cent. The company produced 420,000 tonnes of products in the year to March 21, 2015, from 276,000 tonnes five years ago.

According to the latest figures released by the World Steel Association (WSA) in January 2015, Iran was the top steel producer in the Middle East in 2014, said a statement. Iran's steel production reached 16.331 million tonnes in 2014, showing a 5.9 per cent increase compared to the figure for 2013 when the amount stood at 15.422 million tonnes, the report added. Iran also ranked 14th among major steel producing countries in the world.

## Sur Steel Plant may be Relocated

A 2.5 million tonne per annum steel plant, which is planned in Sur, may be shifted to Duqm, if the promoters do not receive permission from the government for mid-sea unloading of imported scrap.

The proposed \$400 million-project needs a good port facility to import 2.5 million tonnes of scrap metals, mainly from Europe, as its major raw material for producing 2.5 million tonnes of liquid steel, used for making special steel and re-bars. The company plans to use DRI and scrap metals to a certain proportion for making liquid steel.

Unloading in mid-sea is a practice in other countries. "But as for scrap, we do not

know whether we will receive permission for doing so mid-sea," said P T Sivarajan, director of operations at Sun Metals, which is developing the project.

"We will be able to take a decision only when we come to know about it. If we don't get permission, we will have to shift the project to Duqm due to good port facility and all other infrastructure." However, he noted that power has not yet been made available in Duqm.

Sur does not have enough space for building a jetty facility. "We have conducted some study on that as well," added Sivarajan.

Sivarajan also said that the promoters

have already signed a contract with Posco Engineering and Construction, Korea, for Pepcom (planning, engineering, procurement, construction, operation and maintenance) services.

Another agreement was signed with Sojitz Corporation, Japan, for support of intake, off-take and co-development. "They are doing our market analysis." Yet another agreement for power purchase was also signed. A feasibility study was also completed by the company in-house. The construction work will start only after finalising the location. A decision on best location will be taken by the end of the month, he added.

## Crude Steel Output Surged by 7% in Feb'15 – World Steel



According to most recent data published by the World Steel Association (World Steel), the crude steel production by the Middle East region

increased by 7.2% during the month of February year-on-year.

The total crude steel production by Iran during February was 1.409 Million tonnes, increasing by 11.8% in comparison with the February 2014 production of 1.260 Million tonnes. Qatar produced 209,000 tonnes of crude steel, marginally lower by 0.9% when compared to 211,000 tonnes production achieved during February 2014. Meantime, Saudi Arabia's crude steel output surged over the year to 509,000 tonnes during February this year. The total crude steel production by the UAE during February was 216,000 tonnes, down by 4.3% in comparison with the February 2014 production of 226,000 tonnes.

The cumulative crude steel output by the Middle East region during the initial two months of current year totaled 4.667 Million tonnes, 10.3% higher when compared with the output of 4.232 Million tonnes during the corresponding two-month period in 2014.

This section is a compilation from various company press releases, business dailies & trade publications

## Al Jazeera Steel to Open New Rebar Facility

Al Jazeera Steel Products Company has completed building a new rebar production line, which is already in trial production. It is expected to start commercial production in the second quarter of 2015.

This is expected to lead to enhancing the company's revenues and diversifying its product offerings. This will also increase the capacity utilisation of the merchant bar mill from its current 35 per cent utilisation, offering significant growth potential.

Al Jazeera Steel Products Company, which is 51 per cent owned by Global Buyout Fund and listed on Muscat Securities Market, will distribute 22 per cent in cash dividend for the year ended 2014, the largest dividend payment in the history of the company.

Al Jazeera achieved record net profit of \$13.5 million in 2014 as compared to \$11.8 million in 2013, a growth by 14.4 per cent. Revenues have also grown by 7.9 per cent from \$229 million in 2013 to \$247 million in 2014, said a Global Investment House release. Al Jazeera has also a strong financial

position with total assets of \$194 million compared to \$180 million in 2013, growing by 7.7 per cent, whereas its shareholders' equity stood at \$103.6 million in 2014 compared to \$96.6 million in 2013, a growth of 7.3%. Although steel markets have endured significant challenges in 2014 especially with the massive drop in oil prices during the fourth quarter of 2014 and the volatile steel prices associated with it, Al Jazeera's team was capable enough to confront these challenges effectively.

"Al Jazeera has achieved, for the fifth consecutive year, tremendous growth and performance backed by a relatively stable demand and a strong order book. These outstanding results could not have been achieved without the efficient purchasing and inventory management, cautiousness of the management team and their exceptional performance in these challenging market environments," said Sulaiman Al Rubaie, chairman of Al Jazeera Steel Products Company, representing Global Buyout Fund.

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