

UAE tops in global iron and steel consumption



As per reports the UAE is amongst the highest consumers of iron and steel products (1,309 kilogram per person), well above the global average of 240 kilogram per person. The Metal Middle East 2015, a leading trade fair for metallurgical technology, thermo process technology, foundry machinery and metal working tools, is set for its debut launch in January.

The report compiled by the World Steel Association stated that the per capita consumption of finished steel was 323 kilogram in Saudi Arabia, 385 kilogram in Kuwait, 1,288 kilogram in Qatar and 1,309 kilogram in the UAE.

Egypt's Steel Rebar Prices Increased 5.9% in Sept 2014



The Central Agency for Public Mobilization and Statistics showed that Egypt's Steel rebar prices increased by 5.9% in September 2014, reaching an average of EGP 5315.50 per tonne, compared to EGP 5,017.80 in September 2013.

Meanwhile, the average price of steel on a monthly basis rose by 0.09% in September from a month earlier. CAMAS attributed the rising prices to shortage of steel in the market as a result of a shortage of natural gas supplies to factories.

Ezz Dekheila's Profit Declined on Energy Shortage in Q3 - 2014



On the back of energy shortages and price hikes, Egyptian steel manufacturer, Ezz Dekheila, announced a 94 percent fall in profits for the third quarter in 2014 according to reports.

Ezz Dekheila steel posted a net profit of LE55.6 million in the third quarter of 2014 ending September, compared to LE962 million in the same period last year, the company had said in a statement to Egypt's stock exchange.

Revenues for Egypt's largest steel manufacturer hit LE9.5 billion, a fall of almost 8 percent from last year.

According to a steel analyst the company had to import scrap, an essential raw material in manufacturing steel, to compensate for a complete stop to the production of "direct reduced iron" manufacturing for a month and a half due to the suspension of gas supplies.

Steel manufacturers use natural gas to reduce iron ore before treating it to manufacture steel.

Egypt has been suffering from shortages in energy and rising consumption over the past few years; the issue is most apparent in the summer months which coincide with the third quarter.

"Profitability in the third quarter was also squeezed due to hikes in the price of natural gas, electricity and taxes," the analyst added.

Following the election of President

Abdel-Fattah El-Sisi in July 2014, his government took the bold decision to cut energy subsidies as part of its wider structural reforms. Gas prices in industries were raised by up to 75 percent in the same month while electricity fees rose by 30 percent and taxes increased to 30 percent from 25 percent, the analyst said.

Despite the unusual rise in expenses, Ezz Dekheila was unable to raise prices due to competition with imported cheap steel from Turkey and China. Earlier the government imposed a temporary 7.3 percent tariff on steel imports in response to a petition filed by domestic steel producers in June 2014 which resulted in a pending government probe.

Egypt's steel imports during the third quarter were 250,000 tonnes, Mohamed Hanafi, director of the metallurgical industry's chamber of commerce, told Ahrum Online lately. "The third quarter is usually the weakest in the year, as the construction sector slows during Ramadan and Eid holiday," said Alaa.

Some 60 percent of steel demand comes from the government for infrastructure projects which are expected to grow as it carries on with plans to revive the economy, Hanafi said.

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