

MENA lacks exploration and resource development investment

Despite hosting more than 30 percent of global mineral reserves, the Middle East and North Africa (MENA) region severely lacks exploration and resource development investment.

The region's mining industry is facing several challenges, such as social and environmental pressure from communities living near mines, the depletion of shallow mineral reserves, water scarcity and market volatility. These are some of the main factors deterring development in the region, says nonmetallic minerals intelligence research company Industrial Minerals market analyst ShrutiSalwan.

She adds that slumping commodity prices have made the MENA's mineral-rich



resources unviable for future growth. "The underdeveloped mineral resources of the MENA have also been bearing the brunt of political unrest, lack of proper governance, limited infrastructure and technological advancements and, above all, fading investor interest, particularly in the nonmetallic minerals market," Salwan states.

According to a report on the industrial minerals market published by Industrial Minerals in May 2015, the Khunayfis and Al-Sharqiya phosphate mines, in Syria, operated by Syrian mining company Compagnie Generale des Phosphates et des Mines, were likely to have had their production affected by the extremist militant group Islamic State (IS) conflict and the preceding Syrian civil war, which began before the IS insurgency in 2011.

Salwan also notes that the MENA is a globally important region for phosphate production. According to the US Geological Survey (USGS), Morocco and the Western Sahara produce 30-million tons of phosphate rock a year, Egypt and Jordan each produce six-million tons, Tunisia five-million tons and Saudi Arabia three-million tons.

Meanwhile, research firm BMI Research's 2016 second-quarter MENA mining report predicts that there will be strong growth over the coming years in the mining sector in the region, particularly owing to the easing of sanctions on Iran. Mining Weekly reported in October 2015 that the agreement reached between Iran and world powers in Vienna, Austria, in July 2015, on Iran's nuclear programme would reopen the country's economy to global trade and investment after ten years of international sanctions.

Further, the report states that, with low base effects, the Iranian government intends to increase non-oil revenues and, with the country having significant mineral resources, it appears that the region is set for strong growth. Salwan comments that Iran is emerging strongly and is also likely to develop its aluminium and steel industries. The country's "vast resources" of bauxite, lead, zinc, chromite and iron-ore are reportedly worth \$1-trillion, which will be a "driving force" behind the MENA region's mining growth, she adds.

Al Gharbia Pipe starts work at Kizad



UAE-based Al Gharbia Pipe Company, a unit of Senaat, has started work on its large diameter pipe manufacturing plant in the Khalifa Industrial Zone Abu Dhabi (Kizad).

Al Gharbia is a joint venture between Senaat, one of the largest industrial holding companies in the UAE, and two of Japan's leading companies in the steel sector – JFE Steel Corporation and Marubeni-Itochu Steel Inc.

Al Gharbia will be the UAE first plant capable of manufacturing large-diameter, thick wall, sour service, longitudinally welded steel pipe to service the oil and gas transportation sector, with the infrastructure

and construction sectors as secondary markets, said a statement from the company.

The plant will be built on a 200,000 sq m plot of land in Kizad and is expected to formally launch operations in 2018. Once fully operational, production capacity is set to reach 240,000

tonnes annually, of which around 40 per cent will be exported to neighbouring markets in the GCC and greater Middle East, as well as North and East Africa through Khalifa Port and the excellent road network that the UAE infrastructure provides, it added.

Aqeel Madhi, chairman of Al Gharbia, said, "This is a critical milestone in the development of our company, and I look forward to the plant becoming fully operational in the near future."

The company is set to become a worldwide benchmark with regards to the manufacturing of welded pipes, both in terms of technology and quality, as well as production efficiency, he said.