

## Ezz Steel expects to improve its operating margin

Ezz Steel will likely witness a gradual shift towards improving its operating margin during the coming period, predicted the company's chairperson and managing director Paul Chekaiban. This will help the company to reduce its losses amid the pound's flotation in November and the increase in steel prices globally.

The company said that the price of rebar steel rose at an annual rate of 9% during the first nine months of the year, while the price of flat steel fell by 2% during the same period.

Ezz Steel's losses increased after minority interests to EGP 564 million in the first nine months of 2016 compared to EGP 509 million during the same period of 2015, with an annual increase rate of 10.8%.

Chekaiban explained in a report released by the company that there were negative factors, both at the global and local level, which led to a negative performance despite the radical improvement in operating margins. He attributed the negative performance to the significant stagnant demand in the global steel market as well as

the financial crisis in Egypt.

The report pointed out that rebar steel recorded about EGP 12.496 billion to Ezz Steel sales, as the company produced about 2.64m tonnes compared to 2.39 million tonnes during the first nine months of 2015 with the support of high domestic demand by 10%.

Flat steel also recorded sales of about EGP 2.294 billion, after demand increased by about 8%. The company sold EGP 559,000 tonnes during the first nine months of 2016.

Ezz Steel succeeded in achieving exports of about EGP 1.06 billion during the first nine months of 2016, divided between EGP 779 m of flat steel and EGP 280m of rebar steel.

The company recorded a sales volume of about 3.2m tonnes with an annual increase of 10%, compared to the first nine months of 2015, which recorded sales of 2.9m tonnes.



On the other hand, the company pointed out that the cost of sales recorded about 90% of the sales value during the first nine months of 2016, compared to 95% during the same period in 2015, which increased the gross profit margin by 10%.

This reflects the improved utilisation levels of the production capacity of the company, as well as the slight improvement in the natural gas shortage due to the increase in liquefied natural gas imports to Egypt.

### Egypt's El Marakby Steel eyes sales of USD 62 mn



Egyptian steel maker El Marakby for Steel Group plans to raise its sales volume by 30 percent to hit 1.2 billion Egyptian pounds (USD 61.8 million) during 2016, Chairman Hassan El Marakby stated.

Speaking to Amwal Al Ghad, El-Marakby added that the group manufactured 240,000 tonnes of rebar and 180,000 tonnes of billet during 2016.

He clarified that sales of El-Marakby Group declined by 40 percent following government's decision to float the Egyptian pound, expecting steel prices to soar again within the upcoming period.

### UAE's Masoka Steel to offer galvanized coils



their sales to other countries in the MENA region as well as to Europe & USA to create their brand in different countries.

The UAE total market consumption for galvanized & PPGI is about 450,000-500,000 tons per year of which major galvanized steel

A new UAE based galvanized steel producer, Masoka Steel, is expected to start trial production, according to a report. Originally slated for production in October 2016, the company faced delays due to government approvals. Masoka Steel will offer galvanized coil in 0.18-2 mm thickness and up to 1250 mm width, with zinc coating between Z90-Z275 gms. The plant capacity is 72,000 tons per year.

The company is buying raw material, i.e. CRC, from India at present. An official at Masoka Steel said that the UAE market will be priority but company plans to diversify

producer, Al Ghurair Iron & Steel, has capacity to produce 400,000 tons per year. Furthermore, United Iron & Steel Company is also expected to start production in Q1 2017 having production capacity of 250,000-300,000 tons per year.

Another galvanized producer, Asian Ispat production capacity is 240,000 tons. According to the official, Masoka Steel will start commercial operation from January 2017. Masoka Steel mill is located in Jebel Ali Free Zone South plot number S 40313 Dubai, United Arab Emirates and was incorporated in 2016.