

Egyptian demand for rebars to rise 30% post Ramadan



and fresh trade curbs in some countries.

However, users from Egypt were busy building up billet inventories as the country imposed duties against rebars brought in from Ukraine, Turkey and China earlier in the month.

The step is directed toward aiding the long steel rolling industry, but in fact, it is expected to a fillip to billet imports in the country, sources said.

Once the Holy month of Ramadan ends, market players forecast a 30% increase in rebar demand in the Egyptian market.

Transaction in the billet market was subdued during the week ended 17th June, 2017 on account of observance of Ramadan and normally a wet season in Asia

Tosyali's new mill in Algeria starts production

Turkish steel group Tosyali has begun production on the third rebar mill at its Oran works in Algeria on June 24, which will expand the company's product range, stated CEO Fuat Tosyali. The CEO said the new line has a capacity of 1.5 million mt/year. "With this new rebar line, we can now be able to produce rebar with sizes of 12-40mm. One of the projects of our third stage investment will be finalized within the start of this new line, and we will reach 4.1 million mt long steel production capacities in Algeria."

Tosyali already has two rebar and one wire rod rolling mills at the Oran works.

The company's existing rebar rolling mills each have a 1 million mt/year capacity and currently producing 8-16mm rebar, while the other rolling mill has 600,000 mt of annual wire rod capacity. The company has also plans for start-up of direct reduced iron production in 2018. Tosyali's first rebar mill in Oran, the largest investment by a Turkish steel producer abroad, started production in June 2013.

Algerian steel consumption is expected to slightly decrease this year from the 5 million mt registered in 2016, sources said. It is understood that the Algerian government is reducing its investments in public construction on the back of low oil

prices and is pushing private investors to increase local production as planned due to the lack of foreign currency in the domestic banks.

It is rumoured that the government will soon release licenses for wire rod imports.



Iranian shipment of billets face payment crisis in Indonesia

In the first fortnight of June about 15,000-tonne cargo of Iranian billet for August shipment was reportedly booked in Indonesia at around \$405 per tonne cfr, according to market sources.

It is gathered that one shipment of 40,000 tonne of Iranian billet is facing a payment crisis as the Indonesian bank refused to pay up because of the cargo's Iranian origin", a local source said.

Several other sources in Indonesia said it was true that Iranian billet cargo had recently arrived in the country, but none of them were aware of any issues with banks so far.

Iranian producers offered billet at \$370-380 per tonne fob southern ports, down \$5-10 per tonne over the week on reduced demand from regional customers as a result of Ramadan.

One cargo was heard sold through traders to the UAE at \$395 per tonne cfr.

Meanwhile, offers adapted to weaker demand, coming in at \$400-405 per tonne cfr.



Local production of rod is still quite low, while the rebar domestic production is increasing rather slowly. Importers are saying that rebar licenses will be released at any time soon too, but no-one had hard evidence for this assertion, while for time being what is clear is that the government is pushing for new local capacity and that until the hot end of Tosyali or Qatar Steel is completed the country will need mainly billets imports.