

Al Jazeera Steel to maintain high results in 2017

Al Jazeera Steel Products (Al Jazeera Steel) increased sales and net profit in 2016 as the company diversified into other export markets and new segments by adding value-added products in its portfolio. The company is aiming to maintain the results in 2017.

Over the course of 2016, the total sales amounted to 335,951 t, 18% up year-on-year. The mill managed to increase its sales in both merchant bar and pipe segments. The company achieved better sales of merchant bars and sections mostly in Q1 and Q4 as China lost its competitive advantage in terms of pricing.

Moreover, Al Jazeera Steel had feedstock inventories booked at lower prices which allowed the company to have



good margins. Despite the US anti-dumping investigation on Al Jazeera Steel's pipes the company managed to enlarge its sales even in the pipe segment by dispatching the major quantities to the GCC region. The order requirement increased mostly in Q4 2016.

The improved sales led to the increased production of 333,303 t in 2016 (20%

increase y-o-y). "We increased the figure in a profitable manner. We just opened new segments in the market," Al Jazeera Steel said.

Accordingly, the merchant bar plant was running for 24 hours for four months, the company's representative said. As a result, the net profit of the company increased by 63% y-o-y and reached OMR 4.58 million (\$11.9 million). Al Jazeera Steel is aiming to maintain the same impressive results in 2017. Nevertheless, it is unlikely the company will surpass last year's level as the market remains in doldrums.

Moreover, the Chinese suppliers are expected to come back to the GCC market in H2 2017, market players say.

Iran mineral production in 11 months up by 19%



Iron ore concentrate had the biggest share in Iran's mineral production during the period with 28.55 million tonnes, registering a 19.07% growth year-on-year.

Golgozar Mining and Industrial Complex accounted for 11.26 million tonne of the total output, followed by Chadormalu Mining and Industrial Complex with 8.28 million tonne, Iran Central Iron Ore Company with 3.74 million tonne, Middle East Mines and Mining Industries Development Holding Company with 3.16 million tonne, Sangan Iron Ore Complex with 1.544 million tonne and Goharzamin Iron Ore Company with 554,115 tonne.

All companies posted double-digit

growth with the exception of Chadormalu, which registered a 2.68% uptick in production. Sangan had the highest growth with an 82.82% rise in output.

Sangan Iron Ore Complex operates Iran's largest and the world's ninth largest iron ore reserves, estimated at about 1.2 billion tonne.

Iran accounts for about 3% of global iron ore reserves (estimated at 4.5 billion tonne) with over 200 ore deposits. The country is also the 9th largest iron ore and the 13th largest steel producer globally.

Pellet accounts for the second biggest mineral output during the 11 months with a total output of 23.31 million tonne, up 15.80% compared with last year's similar period.

Mobarakeh Steel Company was the largest pellet producer with 6.74 million tonne, followed by Golgozar with 6.41 million tonne, Khuzestan Steel Company with 5.61 million tonne, Chadormalu with 3.32 million tonne and Middle East Mines and Mining Industries Development Holding Company with 1.21 million tonne.

Due to its strong capacity-building, the latter producer's pellet production rose by a staggering 341.87% during the period.

The next biggest mineral output pertained to direct-reduced iron, posting a 14.95-million-ton output, which shows a 7.89% rise year-on-year. Mobarakeh had the lion's share in this regard by producing 5.98 million tonne, followed by Khuzestan Steel Company with 3.39 million tonne, Hormozgan Steel Company with 1.17 million tonne, South Kaveh Steel Company with 1.04 million tonne, Saba Steel Complex with 960,663 tonne, Khorasan Steel Company with 951,534, Ghadir Iron and Steel Company with 794,150 tonne and Middle East Mines and Mining Industries Development Holding Company with 794,150 tonne.

The latter producer, again, topped the growth chart with a 117.95% rise in direct-reduced iron output. Hormozgan Steel Company was the only company on the list whose production shrank during the period under review.

Iran is currently the world's largest DRI producer. Also called sponge iron, DRI is produced from the direct reduction of iron ore (in the form of lumps, pellets or fines) to iron by a reducing gas or elementary carbon produced from natural gas or coal.