



Demand for Kurdish steel rises

Kurdish steel is encountering high demand for post-war reconstruction, but cheap imports from Iran and Turkey, coupled with lighter regulation in federal Iraq, are tempering the growth of the region's industry.

To bolster local producers, the KRG Ministry of Trade is calling on the Finance Ministry to double tariffs on steel products. There are five factories in the Kurdistan Region and two in Iraq that produce steel used in concrete structures.

They together produce around 1.910 million tonnes of steel annually. Of this amount, 1.460 million tonnes are produced in the Kurdistan Region. Demand for steel in Iraq and the Kurdistan Region varies according to the security situation, budget allocations for constructions projects, and peoples' income.

According to figures compiled by Kurdistan Region's Ministry of Trade and Industry, nearly 1.420 million tonnes of steel were used in Iraq and the Kurdistan Region in 2016. Of this, nearly 330,000 tonnes were produced by local factories and 1.9 million tonnes were imported.

Last year, the use of steel dropped to nearly 1.41 tonnes,



yet local production increased to nearly 430,000 tonnes and imports rose to nearly 980,000.

In the past 11 months, nearly 1.84 million tonnes of steel were used. Of this, 870,000 tonnes were produced by local factories and nearly 970,000 tonnes were imported. Iraq's demand for concrete reinforcing steel is projected to hit 2.4 million tonnes in

2020 for post-ISIS reconstruction and local factories are projected to produce 1 million tonnes of steel.

There are nearly 65 companies in the Kurdistan Region that import concrete reinforcing steel. They import nearly one million tons of concrete steel from Turkey, Iran, and Ukraine every year.

Shwan Mohammed, General Manager of Galiawa Group Companies for Cement and Steel Imports said that "Companies associated with Galiawa Group import nearly 350,000 tons of steel from Iran annually, and nearly 50,000 tons from Turkey and Ukraine. We export some to Iraq, some to Syria, and some to the Kurdistan Region." He added that "Kurdish traders account for nearly 85 per cent of Iraq's demand for concrete reinforcing steel. They even export steel to Syria." ■

GAO to investigate exemptions for steel and aluminum tariffs

US federal government's auditing and investigative branch will investigate the White House process for granting companies exemptions from President Trump's steel and aluminum tariffs.

The Government Accountability Office launched the investigation in response to members of Congress who have said the process lacks transparency and any safeguards to prevent abuse. The federal agency said in a letter sent to Sen. Pat Toomey, R-Pa. that "GAO accepts your request as work that is within its scope of authority, adding it expected to have the staff

to initiate the probe available in three months. The letter was responding to a bipartisan request last month for a probe by Toomey and Sens. Tom Carper, D-Del., and Doug Jones, D-Ala."

Carper called the GAO's decision "welcome news" and said businesses and workers alike had raised "serious concerns about this process and are looking for increased transparency and certainty going forward."

Toomey, a critic of the tariffs, called the current process for granting exclusions "broken" and in need of reform. He said that "I hope GAO's review produces

recommendations for fixing this flawed process so more Americans are spared from these onerous taxes."

The administration instituted tariffs of 25 per cent on steel and 10 per cent on aluminum in March, arguing they were needed to protect domestic industries that contribute to national defense. The tariffs cover all imports, but the administration grants exclusions on a case-by-case basis if it decides that doing so wouldn't harm "national security" that is, because the product isn't available domestically otherwise. ■