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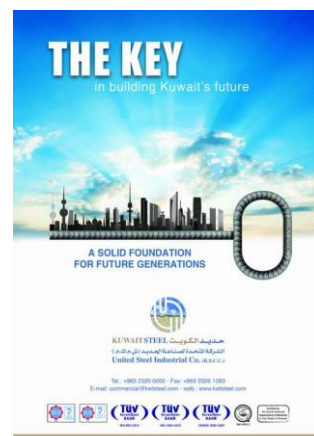
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أيسو ستيال AISU Steel  
Arab Iron and Steel Union



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All Arab and International Steel News

And reports, statistics and studies

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All Member Companies data

### North Africa

#### Tosyali Algeria achieves exports worth 450 million dollars in H1 2022

Tosyali Algeria (east of Oran) achieved export revenues of 450 million dollars during the first half of this year.

In charge of media, Mrs Hakima Kamel stated that, during the first half of this year, Tosyali Company exported 571,000 tonnes of steel products, an increase of 10 per cent compared to the same period last year, with revenues equal to 450 million dollars.

These quantities of steel products, particularly rebar, iron wire, iron pellets, and others, were exported from the ports of Oran, Arzew and Mostaganem to the United States of America, Italy, Belgium, Romania, the Netherlands, Germany, Bulgaria, Greece, England, Denmark, Ireland, Tunisia and some African countries.

Tosyali aspires to export 1.5 million tonnes of different iron and steel products to reach 1 billion dollars in export revenues during the current year, knowing that more than 700 million dollars in earnings were achieved in 2021 from its export activities, according to the same source.

It is worth mentioning that the same complex achieved during the first half of last year 370 million dollars in export revenues.

#### Iron Mines in Tébessa: Memorandum of Understanding between the “Manal” complex and the Turkish company Zumrat

ALGIERS- A memorandum of understanding was signed in Algiers on Tuesday in Algiers between the Algerian Mines Complex (Manal) and the Turkish company “Ozmert” within the framework of developing and valorising iron mines in the cities of Boukhadra and Ouenza in Tébessa.

The President and General Manager of «Manal» Complex, Mr Mohamed Sakhr, and the General Manager of «Ozmert» Company, Adnan Tun., initialled the document.

The Minister of Energy and Mines, Mohamed Arkab, presided over the signing ceremony, which took place at the headquarters of the “Manal” complex, which oversees the exploitation of the Ouenza and Boukhadra iron mines through the Mines East Steel Company (MFE Spa).

This contract is expected to begin once its implementation is started with some commercial activities (deals for the sale of ore minerals) before being expanded to include the completion of industrial facilities to extract approximately 6 to 7 million tonnes of minerals annually,

which is the objective of this agreement.

This partnership, which falls in the short, medium, and long term, aims to reach several stages. **The first is the raw minerals sale** by the “Manal” complex or its units in favour of the “Ozmert” Company or **its branches** within the framework of a commercial contract to sell 100,000 tonnes starting in 2022 to reach 500,000 **tonnes by 2028**.

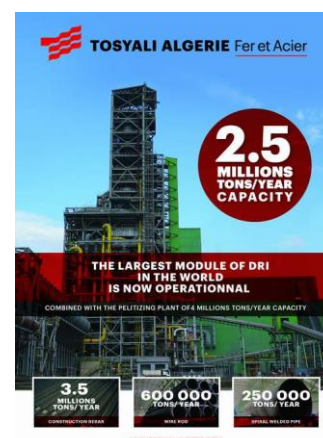
In this regard, the contract for the iron metal sale was signed by the President and General Manager of MFE Spa, Mr Meziane Idir and Mr Adnan Tun, General Manager of the Turkish company.

During a speech on this occasion, Mr Arkab said that the contract for developing and valuing these mines and enriching iron ore, estimated at \$175 million, would enable the country to supply the mining sector with the necessary raw materials without the need to import. In the same context, he added, “The desired goal is to resurrect the iron mines in the Ouenza area and to obtain the raw material that we are currently importing”.

The minister noted that the bill for importing minerals amounted to one billion dollars in 2021 and could jump to the threshold of 2 billion dollars in 2025, which will save us significant sums.

“Manal” complex aspires to develop mining exploitation and valorisation in a short period, depending on the infrastructure and available means, according to what the Director of Development of the Manal Complex, Saadi Madjoudj, confirmed during his presentation of the project. Adding that **the capacities of these two minerals** are estimated at 123 million tonnes, of which **77 million are ready** to be exploited.

As a reminder, Ozmert is a limited liability company established in 2007 and today owns an iron and steel plant with a capacity of producing 500,000 tonnes/year of liquid steel. The production unit is in the industrial zone of Tamzoura (Ain Temouchent). In the short term, the company looks to reach one million tonnes of liquid steel annually.



## Algerian Minister of Energy authorizes the start of exploitation of the Ghar Djebilet mine in Tindouf

The Algerian Minister of Energy and Mines, Mohamed Arkab, authorized, on July 30, the start of exploitation of the iron mine in Ghar Djebilet, Tindouf.

The Minister began his working and inspection visit in Tindouf, where he inaugurated the Ghar Djebilet iron mine.

In a speech, he stressed that, in line with the government's program and cabinet decisions, the ministry seeks to develop the mining sector and launch mining activities to optimize this wealth exploitation at the country level.

The minister indicated that the iron mine in Ghar Djebilet will allow the production of 2 to 3 million tonnes of iron ore in the first phase (2022-2025), then 40 to 50 million tonnes annually starting from 2026.

The Minister stated that the main objectives of the Mining Sector Development Program revolve around creating the appropriate conditions for investment development through reforming the legislative and regulatory framework related to mining activities to ensure investment attractiveness in the mining sector and providing high-quality basic information and data associated with geological mapping. As well as mineral inventory to investors, while intensifying programs mining research to discover new mineral resources, increase productivity and diversify products, especially those with high added value, as well as develop large mining industrial projects aimed at valuing local mineral resources, such as phosphate conversion projects (Tebessa), zinc and lead exploitation in the Oued Amizour (Bejaia), and developing the iron deposit in Ghar Djebilet (Tindouf) to supply the national iron and steel industry.

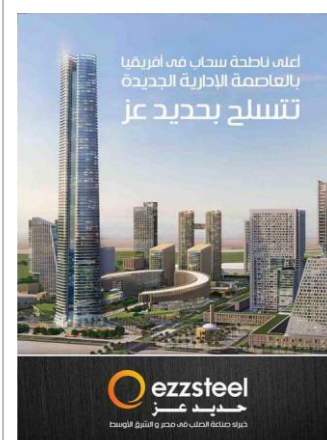
The minister explained that the Ghar Djebilet mine is the first step to materializing this massive project, noting that they were able to reach this stage after several years of work and studies in the world's largest laboratories, which enabled the latter to identify marketable products at the national and international levels. Including iron concentrate, iron pellets, and semi-finished products such as billet.

## Rebar prices decline in Egypt driven by the drop in billet globally

Local factories for rebar production revealed the selling prices of their products in July, with another decrease of 500 pounds on average per tonne, due to the successive decline in billet prices on the global stock exchange, specifically from the Russian market. Note that iron prices decreased by more than 1,100 pounds per tonne in June compared to last May.

Ezz Steel Group announced the selling prices of its products at the beginning of July, with 17670 pounds/t, compared to 18170 pounds/t at the beginning of last June. The Suez Steel price recorded 17,570 pounds/t compared to 18070 pounds/t, and Beshai Group prices recorded 17,500 compared to 18075 pounds/t according to June prices. Egyptian Iron recorded 17,570 pounds/t compared to 18070 pounds/t announced in mid-May.

At the beginning of July, the steel price of Algioshy steel was recorded at 17,300 pounds/t, for factory delivery, compared to 17,900 pounds/t in June, and the same price at El Garhy Iron, compared to 17,850 pounds/t in June, and El-Marakby Iron recorded 17,550 pounds/t, compared to 18,050 in June. The iron price in Egypt Steel recorded 17,450 pounds/t, compared to the 18000 announced in mid-May.



## Egypt raises the price of diesel for the first time since November 2019

Petroleum Products Automatic Pricing Committee decided, in its meeting held after the end of last June, to raise the current prices of all types of gasoline, as well as the cost of diesel for the first time since November 2019 (about three years), until the end of next September. The committee indicated in a statement on July 13 that starting from nine o'clock morning; the prices will become 8 pounds per litre of petrol 80, 9.25 pounds per litre of gasoline 92, and 10.75 pounds per litre of gasoline 95, as well as raising the selling price of diesel to 7.25 pounds per litre.

The committee also decided to increase the price of supplied diesel to the rest of the industries by 400 pounds per tonne, bringing the price to 5 thousand pounds, and the stability of supplied diesel costs to food and electricity industries.

Global oil prices witnessed sharp and sudden movements after the Ukrainian crisis, in addition to the rise in the exchange rate of the dollar against the pound.

The price of a barrel ranges between 110 and 120 dollars.

The Ministry of Finance estimated the average price of a barrel of oil in the general budget for 2022-2023 at \$80, compared to \$61 in the previous budget.

The Fuel Pricing Committee, which includes representatives of the Ministries of Petroleum and Finance, relies in its decision on measuring the level of international oil prices, exchange rates, transportation, operating and production costs, and meets quarterly to review fuel prices, move them up or down by 10%, or stabilize .

## Egypt's iron and steel exports increased 12% to record 667 million dollars January-May 2022

Egypt's iron and steel exports increased by 12% from January to May 2022, reaching 667 million dollars, compared to 597 million dollars during the same period in 2021.

The Export Council for Building Materials and Refractories revealed that "Spain topped the countries importing Egyptian iron, with a value of 142,138 million dollars, compared to 150,874 million dollars, down 6%, followed by "Italy" with a value of 120.28 million dollars, compared to 149,681 million dollars, down 20%. The Kingdom of Saudi Arabia" worth \$85,093 million compared to \$66,045 million, a growth of 29%, followed by "the United States of America" with a value of \$44,287 million, compared to \$27,329 million, a growth of 62%.





## Rebar prices decline in Egypt

Rebar prices recorded a new **decline in Egypt**, as iron prices in the local market decreased by a value ranging between 500-600 pounds per tonne from the costs of last June.

Ahmed El-Ziny, Head of the Building Materials Division at the Cairo Chamber of Commerce, indicated that iron prices peaked in April, during which the price of a tonne reached about 20,920 pounds, while the costs of iron recorded successive declines in April, May, June, and July.

Company	EGY/TON
EZZ Steel	17670
Suez Steel	17570
Beshay Steel	17500
Elgarhy Steel	17300
Elmarakby Steel	17550
Egyption Steel	17450
Elmasreen Steel	17570
Elgeoushy steel	17300

## Egypt: EGP 15.1 million sales of “Iron and Steel for Mines” in June

The Board of Directors of the Iron and Steel Company for Mines and Quarries approved the planning budget for the next fiscal **year, 2022-2023**.

The company stated to the Egyptian Stock **Exchange that it** aims to achieve a net profit of EGP 91.82 million during the next fiscal year.

It is noteworthy that Iron and Steel Mines is a split company from the Egyptian Iron and Steel Company.

And Iron and Steel Mines and Quarries achieved a net profit before tax during the first half of the current fiscal year, amounting to EGP 21.9 million (**from July** to the end of last December).

It also achieved revenues of EGP 55.7 million during the first six months of the current fiscal year.

Last January, the Ordinary General Assembly of the Egyptian Iron and Steel Company agreed to dissolve and liquidate the company as soon as the division process was completed, and to authorize the association's president to appoint liquidators and determine their fees and the term of liquidation, provided that the company's financial position on December 31, 2020 is a basis for liquidation.



### Gulf Area

#### Rebar prices decline in Saudi Arabia with the beginning of August

Saudi Iron & Steel Company (SABIC Hadeed) issued official prices for longs, decreasing them by SAR 100/t (\$26.7/t). The 12-14 mm rebar will be available at SAR 2,750/t (\$733/t) delivered, while the 16-32 mm rebar at SAR 2,700/t (\$720/t) delivered. The new offers will be effective from August 1.

The wire rod 6.5 mm and above wire rods will be available at SAR 2,800/t (\$747/t) delivered.

Prices are indicated without 15% VAT.

Currency rate: \$1 = SAR 3.75

#### UAE extends ban on scrap exports until September 30

The UAE's Ministry of Economy has announced the extension of the country's ban on exports of ferrous and paper waste.

Accordingly, the UAE's Ministry of Economy issued a directive to suspend the export of raw materials, in particular steel scrap (scrap), under the following HS codes 720410, 720421, 720429, 720430, 720441, 720449 and 720450, until September 30 this year.

Initially, the ban was implemented on May 15, 2020, for a period of four months ending on September 15 of the same year, in order to support local steelmakers.

Afterwards, it was extended further for four months. India and Pakistan have been the main countries which suffered from the ban's introduction.

Specifically, in 2019 the UAE was the largest supplier of ferrous scrap (scrap) to India, with its export volumes surpassing one million mt and consequently accounting for 16.35 percent of all India's ferrous scrap (scrap) imports. Meanwhile, in 2019 ex-UAE scrap (scrap) exports to Pakistan amounted to around 656,000 mt.

#### UAE: Expansions of Union Iron & Steel Company in GCC region

United Arab Emirates-based steel producer Union Iron & Steel has announced that it had recently obtained the quality mark license as per KWS GSO ISO 6935-2:2012 Grade B500B-R Standard issued by the Public Authority for Industry in Kuwait.

Nadeem Ahmed, commercial director at Union Iron & Steel, stated that the company had received official product approval for the supply of its 8-40 mm reinforcement steel. "This certificate ensures that Union Iron & Steel rebar meets the specified standard."

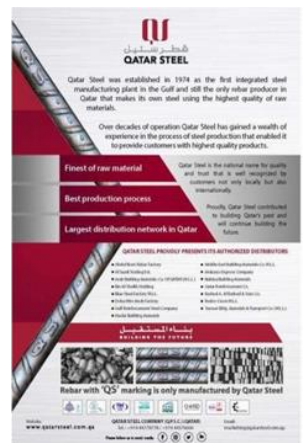
Last year the company was acknowledged as an approved vendor of rebar to Abu Dhabi National Oil Company (ADNOC), one of the biggest oil producers in the Middle East and, concurrently, by the Department of Municipalities and Transport (DMT) for the supply of its rebar to Etihad Rail, the developer and operator of the UAE's national railway network.

Furthermore, Union Iron & Steel has received approval for its material from the authorities in the Abu Dhabi emirate, the local city of Al Ain, and the Saudi authorities for export to Saudi Arabia, in particular. The company's annual capacity is 450,000 mt of rebar.

سابك  
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قطر ستيل  
QATAR STEEL



## Emirates Steel announces rebar prices for August

The Emirates Steel Arkan Group announced that it has fixed rebar prices for August at 2,516 dirhams per tonne, compared to July, for its authorized distributors in the UAE. This price does not include any discount based on quantities, additional charges for sizes or product grade or any other costs applied to the product price, such as the additional cost of raw materials.

Rebar prices witnessed a sudden drop in June to settle at 2,530 dirhams **per tonne**, a decline of 16.6%, compared to May prices, which amounted to 2,950 dirhams **per tonne**, according to sources working in the building materials trade.

The sources linked this decline to several reasons, including the drop in global rebar prices and the decreasing severity of the geopolitical crisis repercussions in Eastern Europe on raw material imports from Russia, which began to restore the standard raw materials export levels, steel squares “billet” until before the special military operation in Ukraine, despite the Western sanctions, in addition to the availability of new sources of import.

Rebar prices in the UAE fell in May by 8% to 2,950 dirhams per ton, after they jumped to a rate ranging between 3,200 and 3,300 dirhams per ton during March and April of this year, against the backdrop of the geopolitical crisis between Russia and Ukraine that began on February 24.

Emirates Arkan Steel provides 65% of the local market's needs of rebar, coils of iron wire, heavy structural sections and pivot panels. At the same time, the company continues to enhance its export markets, which now include 56 countries, an increase of 50% over 2019.

## Fastest growth of the Gulf economies in a decade .. 6.2% average this year

Gulf economies are expected to grow faster this year than previously thought, thanks to abundant oil production, according to a Reuters poll of economists.

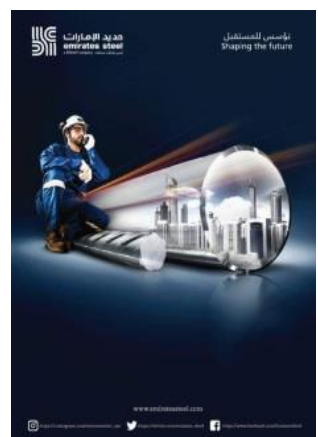
The six Gulf Arab states, namely Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain and Oman, are running budget surpluses.

The survey expected overall growth in the six Gulf Cooperation Council economies to average 6.2 per cent this year, up from 5.9 **per cent** expected in the April poll, **which will** be the fastest rise in nearly a decade.

But growth is expected to slow to nearly half that pace of 3.8 in 2023., **which is slightly** higher than the previous survey.

As for inflation expectations in the region, they are modest **but mixed**. The rate is expected to hover around **4 per cent**, with the lowest rate in Saudi Arabia at 2.5 **per cent** and the highest in Kuwait at 4.8 **per cent**.

These numbers are modest compared to advanced economies, approaching more than 10 **per cent**.



## World

### Steel prices on the last day of July 2022

According to the prices of the global steel markets, the scrap price reached 358\$/tonne, Iron ore price was 115\$/tonne, **the prices** of billets ranged between 525 and 680\$/tonne, and the prices of rebar ranged between 620 and 660\$/tonne, Wire Rod ranged between 680 and 680\$/tonne.

Prices for iron and steel products in Russia and Ukraine were not obtained due to the war between them. The following prices of iron and steel in the global markets on 29 Steel prices on the last day of July 7, 2022

Product	Place	Min	Max	Date	w-o-w
Scrap HMS 1&2 (80:20)	CFR Turkey	385	385	2022/07/29	↓
Iron ore Fe 62%	CFR- China	115	115	2022/07/29	↑
	CFR Turkey	650	650	2022/07/29	→
	FOB Russia	525	525	2022/07/29	↓
	FOB Ukraine	-	-	2022/07/29	-
Rebar	FOB Turkey	660	620	2022/07/29	↓
	FOB Ukraine	-	-	2022/07/29	-
Wire Rode	FOB Turkey	680	680	2022/07/29	↓
HR coil	FOB Russia	565	555	2022/07/29	↓
CR coil 1mm	FOB China	660	640	2022/07/29	→

### Vale signs deal to power pellet plants with natural gas until 2024

Brazilian iron ore miner Vale announced an agreement with local gas suppliers Eneva and Gasmar, **for the natural gas supply** to its Sao Luis pellet plant, located in the northeastern state of Maranhao.

The move will consolidate the use of natural gas in all Vale's pellet plants until 2024. The company also operates pellet plants in the states of Espirito Santo and Minas Gerais, in the southeastern region, and in Sohar, Oman.

The natural gas will replace the use of fuel oil as the source of heat for the calcination of the pellets, with savings in the generation of greenhouse effect related gases estimated at 28 per cent.

The initiative is part of Vale's efforts to reduce by 33 **per cent** its direct and indirect **carbon emissions by 2030**.

The emissions reduction in the production of pellets is one of the Company main challenges, as the activity represents today nearly 30 per cent of the generation of greenhouse **effect-related** gases, exceeding even the iron ore mining **and railroad** transportation, Vale's core businesses.

The company is also developing the use of biocarbon, a renewable product derived from the carbonization of biomass, at its Sao Luis pellet plant. The company said it is committed to a policy of zero carbon emission by 2050.

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## World crude steel production decreased by 5.9 % in June 2022

World crude steel production for the 64 countries reporting to the World Steel Association (worldsteel) was 158.1 million tonnes (Mt) in June 2022, a 5.9% decrease compared to June 2021.

Africa produced 1.2 Mt in June 2022, down 18.7% from June 2021. Asia and Oceania produced 118.8 Mt, down 3.1%. The EU (27) produced 11.8 Mt, down 12.2%. Europe, other produced 3.8 Mt, down 10.9%. The Middle East produced 3.4 Mt, down 5.0%, North America produced 9.6 Mt, down 2.4%, Russia, & other CIS + Ukraine 5.9 Mt, down 34.3%, and South America produced 3.7 Mt, down 4.9%.

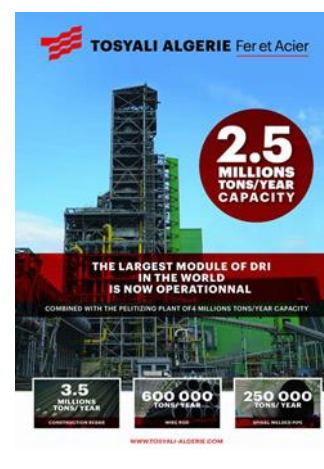
## Top 10 crude steel producing countries in the world

Countries	June. 2022 (Mt)	% change June 22/21	Jan-June 2022 (Mt)	% change 22/21
China	90.7	-3.35	526.9	-6.5
India	10.0	6.3	63.2	8.8
Japan	7.4	-8.1	46.0	-4.3
United States	6.9	-4.2	41.1	-2.2
Russia	5.0 e	-22.2	35.4	-7.2
South Korea	5.6 e	-6.0	33.8	-3.9
Turkey	3.2	-7.0	19.6	-5.5
Germany	2.9	-13.1	19.0	-4.6
Brazil	2.9 e	-6.1	17.4	-2.9
Iran	2.2 e	-10.8	13.6	-10.8

In the Arab countries, Saudi Arabia with 765,000 tonnes, up to 0.5%, followed by Egypt came first with 742,000 tonnes, down 10.4%, and UAE came in third Rank with 265,000 tonnes.

## Crude steel production in the Arab countries

Countries	June 2022 (Thousand)	% change June- June 22/21	% change 22/21
Egypt	859	930	-7.6
Saudi Arabia	765	738	3.6
United Arab Emirates	305	247	23.5
Qatar	90	86	4.7
Lybia	60	60	0.0



## Turkey's rebar exports down 11.4 % in January-May

In May this year, Turkey's rebar exports amounted to 399,478 metric tons, down 22.4 % compared to April and decreasing by 40.8 % year on year, according to the preliminary data provided by the Turkish Statistical Institute (TUIK). Meanwhile, the revenue generated by these exports **totalled** \$352.38 million, decreasing by 13.9 % compared to April and down 16.3 % year on year.

Meanwhile, in the January-May period of this year, Turkey's **rebar exports** amounted to 2.63 million metric tons, down 11.4 % year on year, **however, the** revenue generated by these exports **totalled** \$1.99 billion, increasing by 18.7 % compared to the same period of 2021.

In the given period, Yemen was the only Arab country among the top ten importers of rebar from Turkey, and came in second rank with a volume of 331,203 metric tons.

## Turkey imposes anti-dumping duties on steel from Europe and South Korea

Turkey announced the introduction of anti-dumping duties on the import of flat products, saying that the supplies of European and South Korean companies are detrimental to domestic producers.

Import fees will vary from 7% to 12.8% of the purchase price, according to a decree from the Ministry of Commerce, published in the **official gazette**.

The decree mentions steel producers, including ArcelorMittal SA, Tata Steel Ltd., Liberty, Thyssenkrupp AG, Posco and Hyundai Steel.

"Foreign companies are significantly reducing prices when exporting to Turkey," said Veyssel Yayan, general secretary of the Turkish Steel Association. "This practice undermines the market."

The new fees followed an investigation into trade between October 2019 and September 2020, when imports of flat products **totalled** \$2.05 billion, according to the Turkish Ministry of Commerce.

Average import prices fell to \$473/ton during this period from \$624/ton in 2018.

## US Federal Reserve raises interest rates by 75 points ... the largest increase since 1994

The US Federal Reserve decided to raise interest rates by 75 basis points, which comes as a continuation of the monetary tightening policy pursued by the United States in an attempt to alleviate the pressures caused by the acceleration of inflation rates that jumped to their highest levels since 1981 **last May**.

The last time the Federal Reserve raised rates at that pace was under Alan Greenspan's leadership in 1994.

Today's interest decision came in line with the expectations of major global banks, including "Goldman Sachs Group", "JP Morgan Chase & Co" and "Barclays".

And last May, the "American Fed" had decided to raise the interest rate by 50 basis points, which is the largest rate hike in the United States since 2000, after it raised it by 25 basis points last March, and it was the first time that it decided to raise interest rates. Since 2018.



## US issues final AD duty on circular welded pipe from UAE

The US Department of Commerce (DOC) has announced the **final results** of its administrative review of the antidumping (AD) duty order on circular welded **carbon quality** steel pipe (pipe) from the United Arab Emirates for the period between December 1, 2019, and November 30, 2020.

Accordingly, the US DOC has determined that UAE-based companies' sales of the subject goods were made below normal value during the period of review.

The DOC has determined weighted-average dumping margins of 2.27 **per cent** for Ajmal Steel Tubes & Pipe (pipes), 3.54 **per cent** for Universal Tube and Plastic Industries, and 2.77 **per cent** for Conares Metal Supply Limited, TSI Metal Industries and K.D. Industries Inc.

According to the preliminary results, the antidumping duties **were 2.12 per cent** for Ajmal Steel Tubes & Pipe (pipes), 3.54 **per cent** for Universal Tube and Plastic Industries, and 2.68 **per cent** for Conares Metal Supply Limited, TSI Metal Industries and K.D. Industries Inc.

The final antidumping duties for the country are applicable from July 11.

The subject merchandise is provided for in subheadings 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 7306.50.5050 and 7306.50.5070 of the Harmonized Tariff Schedule of the United States (HTSUS).

## Ukraine's ArcelorMittal Kryvyi Rih resumes rebar production

Ukrainian steelmaker ArcelorMittal Kryvyi Rih, a subsidiary of Luxembourg-based ArcelorMittal, has resumed operations at its **rebar production** line DS-250-5 following a **prolonged** downtime, according to media reports.

The heating of the furnace began last week on July 7 and the first **rebar with** a diameter of 16 mm was produced on July 11. The company will roll several more types of **rebar of** different diameters, as well as different assortments of round steel.

## China's steel exports decline as imports rise in H1 2022

China exported 7.557 million mt of finished steel in June. And though the figure is up 17 % year on year, it is down 2.6% month on month, as announced by the Chinese customs authorities on July 14.

Following the sharp increase in May, exports retreated slightly, but in the coming months' exports are expected to be relatively strong due to slack local demand in China. In the first six months of the current year, China exported 33.461 million mt of finished steel, down 10.5 % yearly.

The volume still indicates a reduction compared to last year, but the pace of the decrease has slowed from 16.2 % in the first five months of the year.

In June this year, China imported 791,000 mt of finished steel, down 36.72 % yearly and 1.86 **per cent** monthly. Finished steel imports have been moving down continuously this year. In the January – June period this year, China imported 5.771 million mt of finished steel, down 21.5 % year on year. The pace of the decline increased from 8.3 % in the January- May period this year.



## Baosteel expects better situation for steel industry in September

Major Chinese steelmaker Baosteel has stated on an interactive platform with investors that it has cut its prices for carbon steel flat products for delivery in August amid declining steel prices in the spot market and more maintenance works being implemented by steelmakers.

Though some raw material prices have also indicated noticeable decreases, most steelmakers have been suffering losses; or their profits have been reduced.

Baosteel expects that the performance of the steel market may not improve until September, which is the traditional peak season for the steel industry.

## Tata Steel threatens to close UK steelworks without £1.5bn of aid

Group running UK's largest steel plant says it wants an agreement with the government on help with emissions.

The owner of the UK's largest steelworks, Tata Group, has threatened to shut down operations if the government does not agree in the next year to provide £1.5bn of subsidies to help it reduce carbon emissions.

Tata Steel UK runs the Port Talbot plant and employs nearly 8,000 people across all its operations. As one of Britain's largest industrial groups, it is among the biggest emitters of carbon dioxide. Executives have been in talks with the government about decarbonisation plans, but discussions have stalled.

"A transition to a greener steel plant is the intention that we have . . . But this is only possible with financial help from the government," Natarajan Chandrasekaran, chair of Tata Group, told the Financial Times.

"We have been in discussions over the last two years, and we should agree within 12 months. Without this, we will have to look at closures of sites." He said.





## China's real estate crisis may lead to iron ore dumping

Goldman Sachs predicted in a note to the clients that the crisis gripping the Chinese real estate sector will help turn the iron ore market into a significant surplus during the second half of the year and drive prices down sharply.

After the market posted a deficit of 56 million tons in the first half of the year, the bank expects a surplus of more than 67 million tonnes of the metal for the rest of the year, reflecting the sharp slowdown in steel demand outside China.

The bank lowered its 3-month iron ore target to \$70 a tonne from \$90 and its six-month iron ore target to \$85 from \$110 a tonne.

The issue is that the metal is closely linked to China's early real estate activity, the bank said, adding that the sector generates nearly a third of China's steel and crude demand. According to "Bloomberg" data, iron ore in Singapore rose by about 4% during the trading on 26 July 2022, before trimming its gains to trade at \$109.05 per tonne.

## US Federal Reserve raises interest rates for the fourth time this year to 2.5%

The US Federal Reserve's Open Market Committee decided to raise the federal funds rate by 75 basis points to 2.5%, increasing it for the fourth time this year.

The Fed said more increases would be needed in its ongoing battle to curb mounting price pressures.

The increase is the second in a row by 75 basis points and the fourth rate hike this year as the US central bank governors move aggressively to calm the highest rise in inflation in more than four decades to avert a recession in the world's largest economy.

The Fed noted that the data showed "weak spending and production" despite the strong boost in job creation.

Federal Reserve Chairman Jerome Powell said US inflation remains "very high". He added that another "extraordinarily considerable" rate hike might be necessary during the next central bank meeting in September as part of an attempt to calm inflation. AFP reported.

"Indicators of spending and production have slowed down recently. However, job opportunities have remained high in the past months, and the unemployment rate is still low," the Federal Reserve said in a statement issued after its monetary committee meeting.

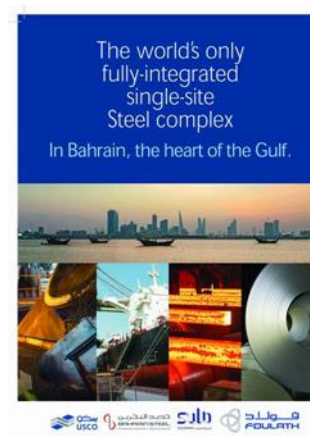
This is the fourth consecutive rate increase: 25 points in March 50 points in May and 75 points in June, the highest since 1994.

The statement added, "The Monetary Committee expects that the new increases in interest rates will be appropriate".

The central bank, which usually raises rates by a quarter point, took a big step to curb inflation, which in June reached a new record high in more than 40 years at 9.1% within a year.

The Monetary Committee stresses again that it is "aware of the risks of inflation". These interest rate increases goal is to make credit costlier to slow consumption and investment and eventually relieve price pressure.

The decision was taken unanimously by the 12 members who voted for it. The Monetary Committee convened with its full members for the first time since 2013.



## Australia's Rio Tinto posts lower net profit in H1 2022

Australia-based mining company Rio Tinto announced its financial results for the first half of this year. The company achieved a net profit of \$9.41 billion in the first half of this year, compared to \$13.06 billion in the same period the previous year, as the company's consolidated sales revenue decreased by 10% in the first half of this year to reach \$29.77 billion compared to the first half of last year.

The company's total EBITDA was \$15.59 billion, down by 25.8 per cent year-over-year.

Rio Tinto Pilbara's iron ore shipments for 2022 remained at 320-335 million tons, depending on weather and market conditions.

Meanwhile, the company delivered its first iron ore from the Godai Dare Mine in Western Australia's Pilbara region in June this year, SteelOrbis previously reported.

## US steel imports up 2.2% in June

According to preliminary census data from the US Department of Commerce, US monthly steel imports in June 2022 increased by 2.2 % from May to 2,550,475 mt. A year-on-year comparison shows a 2.7 % decrease.

In terms of value, US steel imports in June totalled \$4.02 billion, compared to \$3.79 billion in May and \$2.84 billion in June 2021.

Top sources for US steel imports in June include: Canada, with 576,209 mt; Mexico, with 472,856 mt; South Korea, with 271,270 mt; Brazil, with 181,568 mt; and Russia, with 111,753 mt.

According to the American Iron and Steel Institute (AISI), the US steel import market share in June 2022 was estimated at 25 %, as well as in May and year-to-date

## Vale's net profit declines in Q2 2022

Brazilian miner Vale posted a net profit of \$4.09 billion for the second quarter of 2022, against \$4.46 billion achieved in the previous quarter and \$8.15 billion achieved in the second quarter of 2021.

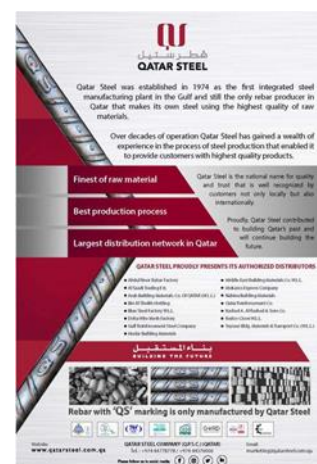
The decline reflects mainly the lower iron ore fines prices over the period, which were partially compensated by the increased volumes sold in the first half of 2022.

According to the company, earnings before interest, taxes, depreciation and debt (EBITDA) for the first quarter of 2022, \$6.374 billion, were positively affected by \$1.376 billion through increased sales and negatively affected by \$1.805 billion due to the price decline, and by 110 \$1 million due to exchange rate changes, \$175 million in freight rates and \$126 million in other costs and expenses, resulting in an EBITDA of \$5.534 billion for the second quarter of 2022.

During the second quarter of 2022, the average realized price of the iron ore fines was \$113.3/mt, a decline of \$28.1/mt from the first quarter of 2022, including a lower premium derived from higher silica contents in the mix of ores.

For pellets, the average realized price during the second quarter of 2022 was \$201.3/mt, \$6.6/mt higher than in the previous quarter.

During the second quarter of 2022, Vale produced 74.1 million mt of iron ore fines and 8.67 million mt of pellets, an increase of 17 per cent and 25.1 per cent from the previous quarter, respectively.



#### Suez Steel Company contracts with Danieli to expand capability

Suez Steel contracted Danieli to upgrade its caster #2 , the target of Suez Steel is to increase the product range through the most flexible caster technology in the world, to satisfy the growing local and international market requests.

After the upgrade, the caster –supplied by Danieli in 2011– will be able to produce more than 1 Mtpy. This will add to the current production of billets and rounds, new, different sections for some of the largest products in the world, as well as another section dedicated to the production of high-carbon products for civil use.

The caster will be equipped with submerged casting and Danieli Rotelec EMS electro-magnetic stirrer technologies, M-EMS mould electro-magnetic stirrer, and the F-EMS final electro-magnetic stirrer to improve internal quality with the aim of suppressing central segregation and satisfying all the high-carbon quality requirements defined by the highest European standards.

The upgraded sections are scheduled to be started by Q3 2023.





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