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- China's daily crude steel production increased by 1.11% in mid-June 2023.
- Japan's steel exports amounted to 13.79 million tonnes during the period from January to May 2023.



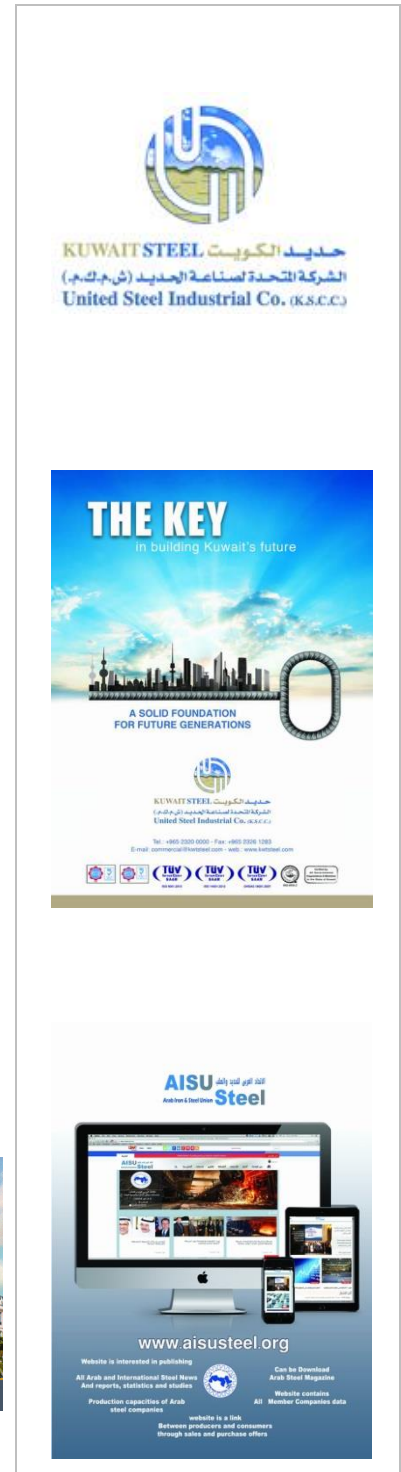
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North Africa

The latest rebar prices update in Egypt is June 27, 2023

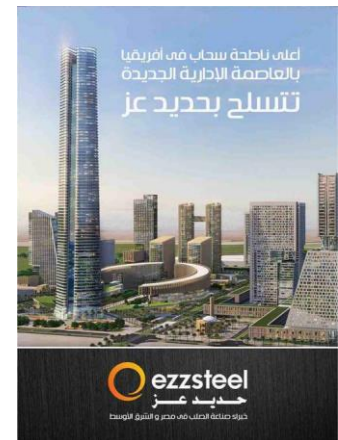
According to daily iron prices follow-up in Egypt, the rebar prices ranged between EGP 32,050– 38,000, EXW. Most steel companies fixed their prices compared to last week.

As the following steel companies announced their prices without changing their prices. Ezz Steel EGP 32,135, Suez Steel EGP 32,050, Beshay Steel EGP 38,000, El Marakby Steel EGP 37,500, Egyptian Steel EGP 32,050, Ashry Steel EGP 38,000, Garhy Steel EGP 37,000. However, Misr Steel raised from EGP 36,000 to EGP 36,500, El Komy Steel from EGP 35,500 to EGP 36,500, El Ola Steel from EGP 35,400 to EGP 36,000, and Al-Gioshy Steel from EGP 35,200 to EGP 36,100.

Rebar prices today are as follows:

Company	EGP/t	Pointer
Ezz Steel	32,135	↔
Suez Steel	32,050	↔
Beshay Steel	38,000	↔
El Marakby Steel	37,500	↔
Egyptian Steel	32,050	↔
Ashry Steel	36,000	↔
Garhy Steel	37,000	↔
Misr Steel	36,500	↑
El komy Steel	36,500	↑
El Ola steel	36,000	↑
Al Gioshy steel	36,100	↑

Prices include 14% VAT



Gulf Area

Rebar steel prices in the UAE fell 11% in June to 2450 dirhams

Rebar steel prices in the local market in the UAE declined by 11% to reach 2450 dirhams per ton in June, compared to the same period in 2022, which was approximately 2750 dirhams per ton, while prices recorded a slight increase by 3% compared to the beginning of the year, which amounted to 2380 dirhams per ton.

On a monthly basis compared to last May, Rebar steel prices decreased by 3.3% from 2534 dirhams per ton. During the month of April, it reached 2663 dirhams per ton, and 2544 dirhams per ton in March, at a time when prices approached 2450 and 2380 dirhams per ton in February and January, respectively.

And Rebar steel prices had reached their peak in the local market in 2022 at 3,174 dirhams per ton for the month of May, due to the repercussions of the war between Russia and Ukraine, which affected the decline in supplies of raw materials and the disruption of supply chains, which affected global markets.

Rebar steel prices ended 2022 with a slight increase of 1.6% during December and November, reaching 2260 dirhams per ton, compared to 2222 dirhams per ton in October, which settled at 2222 dirhams per ton.

Prices in the local market decreased by 6.5% to reach 2351 dirhams per ton in September, compared to 2516 dirhams per ton in August and July. It amounted to about 2750 dirhams per ton in June, after declining by 13% compared to May prices, which amounted to 3174 dirhams per ton.

Rebar prices increased in April by 21% to 3120 dirhams per ton, compared to 2587 dirhams per ton in March, which also achieved an increase of 4% compared to February and January, which recorded 2488 dirhams per ton, due to the start of the crisis in Ukraine during the last week of February.

According to data issued by BNC, the growth rate in the construction sector in the Middle East is the highest in the world, and the local sector in the UAE recorded an average annual growth rate of 6.8% for the year 2022, and its value is expected to reach \$ 133.53 billion (490 billion dollars). billion dirhams) by 2027, recording a compound annual growth rate of 4.7% during the period from 2022 to 2027.

The value of the construction sector in the GCC countries is estimated at \$1.6 trillion, with more than 21,000 active projects registered by the end of 2022.

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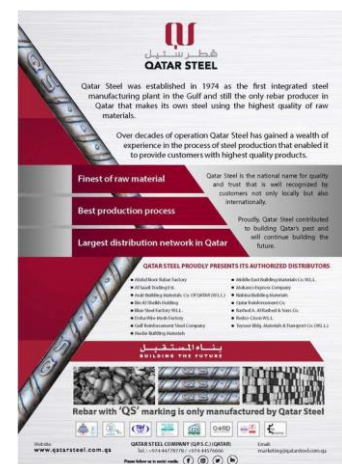


Emirates Steel Arkan establishes two business management units

The Emirates Steel Arkan Group announced the adoption of a new operating model based on the establishment of two separate business units, the Emirates Steel unit and the building materials unit, with the aim of benefiting from the common strengths of the steel and building materials business. Each business unit will have a Chief Executive Officer focused on driving growth and development and reporting directly to Eng. Saeed Ghamran Al-Romaithi, Group CEO. Saeed Al Ghafri will be responsible for the Emirates Steel business unit as CEO, while Saeed Al Dhaheri will lead the building materials business unit as acting CEO and Vice President of Commercial Affairs.

Engineer Saeed Ghamran Al-Rumaithi, CEO of Emirates Steel Arkan Group, said: “We are keen to follow the best ways to enable the group to benefit from the strengths and complementary capabilities of the Emirates Steel and Building Materials units to achieve our strategic ambitions and aspirations for further growth. We have reached an operating model that will drive our progress and enhance the efficiency of our operations, and pave the way towards greater successes in the future.”

He added, “The new model is based on our unified values based on human capital, accountability, and innovation, based on a team culture that will enable us to achieve our strategic goals efficiently and effectively, while providing more opportunities for development and prosperity for our employees.” The two new business units will be supported by central support divisions, including finance, human capital, technology, strategy and transformation, as well as a new ventures division.



World

Steel prices in the first week of July 2023

According to the prices announced in the global steel markets, scrap prices reached \$380/tonne, unchanged from the previous week. Iron ore reached \$112/tonne, unchanged from last week too, while billets ranged between \$500-640 per tonne, which were Between 504 – 550 dollars per tonne last week, and the prices of rebar between 605 – 640 dollars/tonne, unchanged from last week's prices..

The following iron and steel prices in the global markets on 01/07/2023

Product	Place	Min	Max	Date	w-o-w
Scrap HMS 1&2 (80:20)	CFR Turkey	380	380	01/07/2023	🟡
Iron ore Fe 62%	CFR- China	112	112	01/07/2023	🟡
Billet	FOB Russia	500	510	01/07/2023	🔴
	Ex- CIS,CFR Turkey	530	640	01/07/2023	🔴
Rebar	FOB Turkey	620	640	01/07/2023	🟡
	FOB Ukraine	605	610	01/07/2023	🟡
Wire Rod	FOB Turkey	640	640	01/07/2023	🟡
HR coil	FOB Russia	600	610	01/07/2023	🟡
CR coil	FOB Russia	680	700	01/07/2023	🟡

The US drawn wire coils were down 28.5 % in April 2023

According to export data from the US Department of Commerce, US exports of wire coils totalled 7,173 mt in April 2023, down 28.5 % from March and down by 9.7 % from April 2022.

By value, wire coils exports totalled \$20.4 million in April, compared to \$22.3 million in the previous month and \$18.6 million last year.

The US shipped the most wire coils to Mexico in April with 2,822 mt, compared to 3,017 mt in March and 2,252 mt in April 2022. Other top destinations included Canada, with 2,813 mt. There were no other significant destinations (1,000 mt or more) for US-drawn wire exports in April.



الشركة الليبية للحديد والصلب
LIBYAN IRON AND STEEL COMPANY



China's steel industry profits were down 8.8% year-on-year in May

In May 2023, the operating profit of the Chinese steel industry decreased by 20% compared to May 2022 – to reach 668.1 billion Yuan (\$95.2 billion), and the index declined by 0.3% compared to April, according to data from the National Bureau of Statistics of China (NBS).

The decline in industry profits was due to a slowdown in steel demand. Meanwhile, prices of core steel products fell 4.4 – 4.7% in May.

Meanwhile, the industry posted a loss of 2.49 billion Yuan last month, compared to profits of 5.23 billion Yuan in April and 14.24 billion Yuan in May 2022.

Mining industry revenue rose 5.7% month-on-month to 36.25 billion Yuan, and the industry profit for May fell 28.6% year-on-year to 4.37 billion Yuan.

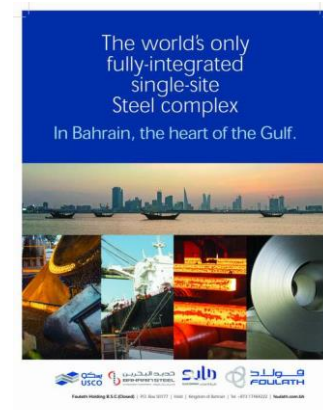
From January to May 2023, China's steel industry recorded a decrease in operating income of 8.8% compared to the same period in 2022, to reach 3.37 trillion Yuan.

Industry losses since the beginning of the year amounted to 2.1 billion Yuan, while in January- May last year; steel-making enterprises received 80.2 billion Yuan in income. Thus, the steel sector became one of the two main industrial sectors in the country that suffered losses since the beginning of the year.

Mining industry revenue fell 9% yearly to 184.53 billion Yuan, and industry profit fell 41.9% yearly to 18.45 billion Yuan.

In May, 90.12 million tonnes of steel were produced, which is 7.3% less than in May 2022, down by 2.7% compared to April. Production of steel products decreased by 1.3% year-on-year and 1.2% every month, reaching 118.47 million tonnes.

From January to May 2023, China's steel production increased by 1.6% compared to the same period in 2022 to 445 million tonnes. The production of steel products rose by 3.2% year-on-year in 5 months to 557 million tonnes.



The UK extends anti-dumping duties on thick sheet steel from China

The UK will maintain the anti-dumping measures on plate steel from China for another five years, stated in a message on the British Government's website.

The Government backed the Trade Remedies Authority's (TRA) recommendation that the UK industry would suffer if the measures were lifted.

In the UK, there are two producers of thick sheet steel – Spartan UK (England)- and -Liberty Steel Dalzell (Scotland)- their annual contribution to the country's economy is £10-20 million. As the TRA investigation showed, if anti-dumping measures are cancelled, the loss for the British industry will happen again, and local producers will hardly be able to compete in such conditions, which may lead to the closure of their enterprises.

Thick sheet steel is used in the production of construction, mining, and logging equipment, oil and gas pipelines, shipbuilding, and construction of bridges and buildings. Over 70% of the consumption of these products in the UK is in construction and engineering.

The European Commission (EC) continued the action of EU anti-dumping duties on the import of certain types of thick-rolled products from China in May. The duty rate remains at the level of 65.1%-73.7%. The relevant decision was taken after an anti-dumping investigation with the expiry of the duties introduced in 2017.

In addition, EC announced the extension of anti-dumping and countervailing duties on the import of certain types of hot-rolled flat products from China for another five years. Anti-dumping duties range from 1% to 31.3%, and countervailing duties range from 4.6 to 35.9%.



MAGHREB STEEL

IMETAL
GROUPE



A report on declining global billet prices amid economic uncertainty

Billet prices in Black Sea ports last week, from 16 to 23 June 2023, decreased by 1% compared to the previous week to \$ 505-515 per tonne.

Meanwhile, billet prices declined by \$20 per tonne in Turkey, or 3.3%, and reached \$575-580 per tonne on June 23 as activity in the market slowed down as consumers and producers adapted to the new level of interest rates. The market expected that interest rates change and the lira would stop depreciating, but this did not happen.

Conversely, with the local currency crashing to a record low, market participants' confidence in prospects has diminished. Amidst this, the Turkish market took a wait-and-see attitude, putting pressure on prices. In addition, the approaching Eid Al-Adha holiday from June 27-July 1 was a restraining factor for the market.

Russian suppliers, who mainly sell billets to the Black Sea ports, are currently cautious in selling their products as they assess the market situation against the backdrop of the ruble's depreciation.

The export demand for Russian products has become limited since the major buyer – Turkiye – is presently suffering from macroeconomic problems and the low competitiveness of finished steel in world markets. The principal sales of the Russian billet are directed to the domestic market and the CIS countries.

Ukrainian and Asian production was offered to the Turkish market at \$550/tonne – this level is unprofitable for domestic steelmakers.

Billet trade in the Turkish market will depend on the solution to economic problems within the country shortly, as well as the situation in the scrap market.

Global scrap prices fell in most of the global markets, and scrap quotations in Turkey for the week of 19th to 26th June were \$378-382/tonne, down by \$1/tonne compared to the previous week with limited market activity due to macroeconomic problems pressuring the finished steel products sales and demand for raw materials.

Domestic steel trade is expected to resume after Eid al-Adha, therefore, scrap prices may rise slightly. The central bank may introduce additional interest rate increases to contain the lira depreciation.



ArcelorMittal plans to restart its blast furnace (A) at its Gijon, Spain plant in July

ArcelorMittal, one of the largest steel producers internationally, has announced plans to restart the blast furnace (A) at its plant in Gijon, Spain. The unit was shut down on March 22, 2023, when a fire broke out in the blast furnace during scheduled maintenance. The fire is believed to have been caused by an internal reaction when pig iron was exposed to water in the crucible furnace.

“We expect the blast furnace (A) to resume operation by the end of next week after we finish rebuilding the refractory lining,” said the factory representative.

For the past three months, specialists have been cleaning the blast furnace of the hardened iron ore; the process requires explosives to destroy solids that have settled on the furnace walls.

The ArcelorMittal plant in Gijon was equipped with a blast furnace with a total capacity of 4.7 million tonnes of pig iron per year. During the blast furnace (A) downtime, blast furnace (B) continued to operate in normal mode.

The blast furnace (A) was restarted in February 2023; the unit had been idled since the end of September 2022 due to uncertain economic prospects and unfavourable market conditions. The blast furnace was expected to operate until 2025 and then be replaced by a DRI unit as part of the decarbonisation plan, the Company announced in 2021.

Recently, the Spanish government agreed to fund a decarbonisation project for the ArcelorMittal plant in Gijon for 450 million euros. The Company plans to build a DRI plant with an annual capacity of 2.3 million tonnes, thus replacing two blast furnaces scheduled to be commissioned in 2025.

Rebar production reached 97 million tonnes during January-May 2023 in China

According to China’s National Bureau of Statistics, in May this year, China’s rebar, wire coil and welded pipe output was 19.929 million tonnes, 11.63 million tonnes and 5.758 million tonnes, down by 8.8%, 13.3% and up by 9.4% year on year, respectively, while decreased by 5.55%, 6.79% and 5.67% monthly, respectively.

Rebar prices declined amid a downward trend in rebar futures prices and slumping demand in May, which witnessed 3,847 Yuan/tonne on May 9, and 3,610 Yuan/tonne on May 31.

In June, rebar prices fell to the lowest level due to production cuts in some regions of China, although hot and rainy weather negatively affected the rebar market.

From January to May 2023, China’s total rebar production reached 96.937 million tonnes, down by 0.9 per cent yearly.

In the first five months of this year, wire coil output reached 58.379 million tonnes, down by 0.2 per cent yearly.

In the same period, China’s welded pipes production reached 24.181 million tonnes, up 12.0% yearly.



China's daily crude steel production increased by 1.11% in mid-June 2023

China Iron and Steel Association (CISA) data showed that China's daily crude steel production of major enterprises reached 2.26 million tonnes from June 11 to 20, up 1.42% compared to the previous ten days.

The pig iron average daily production was 2.02 million tonnes over the specified period, up slightly by 0.73% from the previous 10 days, and the daily finished steel production rose 5.04% to 2.17 million tonnes from the previous 10 days.

Nationally, the daily raw steel production is expected to increase by 1.11% compared to the previous ten days, reaching 2.95 million tonnes; the cast iron daily production reached 2.45 million tonnes, up 0.58% compared to the previous ten days; finished steel daily production is estimated at 3.88 million tonnes, up 3.02%.

As of the end of June 20, major member steel mills of China Iron and Steel Association (CISA) accounted for 16.22 million tonnes of finished steel inventory, up 2.64% or 0.42 million tonnes over early June, but down 0.26% or 42,600 tonnes over the same period. In the previous month, the data showed that the volume was 20.96%, or 4.30 million tonnes, less than the same period of the last year.

Japan's steel exports amounted to 13.79 million tonnes during the period from January to May 2023

In May this year, Japan's iron and steel product exports reached 3.02 million tonnes, up 13.2% month-on-month and up 0.1% year-on-year, according to customs statistics from the Japan Iron and Steel Federation (JISF).

From January to May this year, Japan's iron and steel product exports amounted to 13.79 million tonnes, down 0.5% over the same period of the previous year.

Regarding Japan's major iron and steel product export markets, during the January-May period of this year, the country's total iron and steel exports to South Korea reached 2.57 million tonnes, up 10.4%, while exports to China decreased by 35.1% to reach 1.18 million tonnes. Exports to Taiwan amounted to 705,356 tonnes, down by 11.4%. Exports to Thailand amounted to 2.02 million tonnes, down by 3.6%, while exports to the United States amounted to 508,827 tonnes, up 3.9% over the year.

The most considerable quantities exported were hot rolled coils (HRC) with a volume of 5.2 million tonnes, an increase of 8.7%, followed by semi-finished products with 1.3 million tonnes, up 2.1%. Heavy plate with 1.3 million tonnes, up 12%. Galvanized sheets amounted to 921,031 tonnes, an increase of 8.1%; cold rolled coil (CRC) 640,814 tonnes, down by 19.1%; wire rod with a volume of 64,984 tonnes, with a decrease of 14% and bars with a volume of 163,656 tonnes, down 35.5%.





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