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16th Arab Steel Summit & International Iron and Steel Exhibition

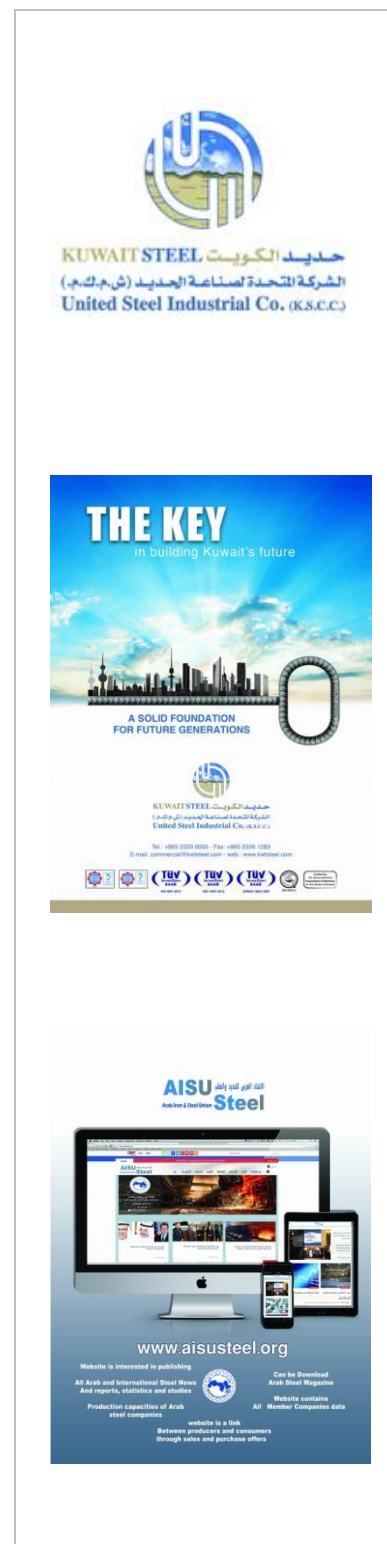
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In cooperation with **ezzsteel** حديد عزم

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North Africa

The latest rebar prices update in Egypt is on July 04, 2023

According to daily iron prices follow-up in Egypt, the rebar prices ranged between EGP 32,050– 38,000, EXW. All 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 36,000, Garhy Steel EGP 37,000, Misr Steel EGP 36,500, El Komy Steel EGP 36,500, El Ola Steel EGP 36,000, and Al-Gioshy Steel 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

Egypt: Iron and Steel Company for mines' sales amounted to EGP 33.7 million in May 2023

Iron and Steel Company for Mines and Quarries (ISMQ) announced that it had achieved EGP 33,848,733 in sales in May, explained in the Egyptian Stock Exchange statement. Bahariya Oasis mines sales amounted to EGP 33,786,769, and Bani Khaled-Samalot quarries sales value reached about EGP 61.96 thousand.

Sales and production reports for February 2023 revealed that total sales in February amounted to EGP 16.87 Million, according to the Company's statement sent to the Egyptian Stock Exchange.

Iron and Steel for Mines and Quarries is a public company listed on the Egyptian Stock Exchange, it operates within the materials sector, focusing on steel.

The Egyptian Iron and Steel Company is based in Cairo and was established in March 2021.



Egypt: Ezz Steel announces flat steel prices unchanged for the Fifth month in a row

Ezz Steel Group announced the flat steel prices for July, unchanged for the Fifth month in a row, at 34,485 EGP per tonne, EXW, including value-added tax.

Statment	including VAT
Flat steel	34,485

Egypt: “Ezz Steel” incurs EGP 8.9 billion in currency differences losses during the first quarter of 2023

The losses of currency differences exacerbated by the Egyptian company, “Ezz Steel”, in the first quarter of this year, which incurred net losses of 2.5 billion pounds for the company, despite an increase in its sales by about 50%.

The company’s business results issued today revealed that the losses of currency differences in the first quarter amounted to 8.9 billion pounds, which put pressure on the company’s profitability violently.

The group said that as a result of the lack of liquidity in foreign currencies in the banking sector, it turned from the fourth quarter of last year to gradually increasing exports again to secure the foreign currency needed to import raw materials and consumables.

It should be noted that the company incurred losses of currency differences during the months of January and February amounting to 5.28 billion pounds, which means that the losses of currency differences worsened to record in the month of March alone about 3.6 billion pounds.

Egypt liberalized the price of its local currency 3 times from March 2022 until last January, which prompted the price of the Egyptian pound to decline against the dollar by about 25% during the first half of this year, and by more than 95% since the beginning of the Russian-Ukrainian crisis in March 2022, to now trade at 30.90 pounds per dollar.

Iron prices increased at the “Ezz Steel” company, which has the largest market share in the Egyptian reinforcing steel market, by 93.6% in one year, as the price of a ton at the beginning of last March reached 38.2 thousand Egyptian pounds, compared to 19.7 thousand pounds in March 2022.

Some iron and steel manufacturers in Egypt complain about the scarcity of foreign currency needed to continue their business and import raw materials, in the largest Arab country in terms of population, to the extent that some of them resorted to reducing production or stopping it altogether.



Gulf Area

Reinforcing relations between Saudi Arabia and China in the industrial and mining sectors

The Minister of Industry and Mineral Resources of Saudi Arabia, Professor Bandar bin Ibrahim AlKhorayef, met in his office today with a delegation from China, headed by a member of the Standing Committee of the “Hebei” Provincial Committee and Secretary of the Tangshan Municipal Committee of the Communist Party of China Wu Weidong.

The meeting included a discussion of strengthening cooperation between the two countries in the industrial and mining sectors and emphasizing the economic and trade partnership between the Kingdom of Saudi Arabia and China in several different ones, in addition to discussing attracting qualitative investments in the industrial and mining sectors.

The meeting also discussed the competitive advantages enjoyed by the Kingdom and China in some promising industries and the increase in trade exchange in non-oil goods between the two countries, as the volume of Saudi non-oil exports to China amounted to more than 37 billion riyals during the past year 2022, while imports amounted to more than 147 billion riyals.

Bahrain’s Ministry of Transportation and Telecommunications is discussing developments in linking the Kingdom to the GCC railway network

Eng. Hussein Ali Yaqoub, Assistant Undersecretary for Land Transport Affairs at the Ministry of Transportation and Telecommunications, held a meeting with the Gulf Railways Authority delegation headed by Engineer Nasser bin Hamad Al-Qahtani and Abdullah bin Abdulaziz Al-Samaani, in the presence of the Ministry’s work team. The meeting is to discuss developments in the railway link between the Kingdom of Bahrain and the Kingdom of Saudi Arabia through the King Hamad Bridge.

During the meeting, he praised the authority’s central role in coordinating among the member states regarding the GCC railway project and working to develop the railway sector on a permanent, continuous and integrated basis among the six countries.

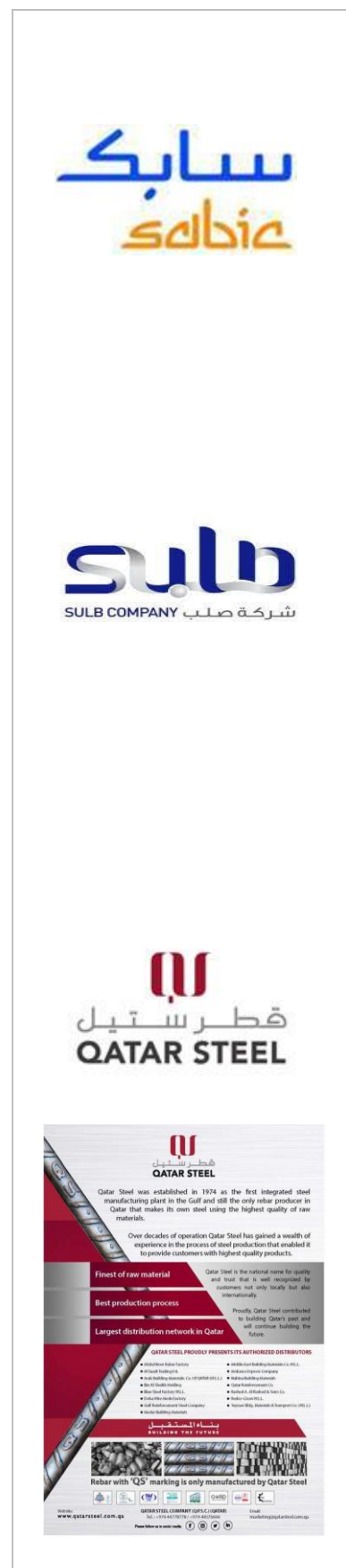
During the meeting, they reviewed the developments of the transitional phase of the King Hamad Bridge project and track preparation on the Bahraini side and the King Hamad International Station in the Ramli area, in addition to presenting the details of engineering designs and meeting points between the two kingdoms.

This comes in conjunction with the Gulf Railways Authority’s establishment in 2022, which aims to draw up the general policy for the GCC railway network and coordinate among the member states to follow up the implementation and operation of the GCC railway project.

Industries Qatar agrees to Qatar Steel’s potential acquisition of Al Qataria for the Production of Reinforcing Steel

Industries Qatar Company, “Industries Qatar” or “the Group”, one of the largest industrial companies in the region, with activities in the production of a wide range of petrochemicals, chemical fertilizers and iron and steel products, announced that the Company’s board of directors has approved in principle the proposed acquisition offer of the entire shares of Qatar Steel Reinforcing Company as acquired by its wholly owned subsidiary, Qatar Steel.

The completion of the transaction is subject to obtaining the required regulatory and other relevant approvals.



Steel prices in the second week of July 2023

According to the prices announced in the global steel markets, scrap prices amounted to \$379 / tonne, \$1 less compared to last week's prices, and iron ore prices \$110 / tonne, \$2 less than last week's prices, while the prices of billets ranged between 490-530 Dollars per tonne, while it was between 500-540 dollars per tonne last week, and reinforcing steel prices ranged between 590-620 dollars/tonne, while it was between 605-640 dollars per tonne last week.

The following iron and steel prices in the global markets on 08/07/2023

Product	Place	Min	Max	Date	w-o-w
Scrap HMS 1&2 (80:20)	CFR Turkey	379	379	08/07/2023	↓
Iron ore Fe 62%	CFR- China	110	110	08/07/2023	↓
Billet	FOB Russia	490	500	08/07/2023	↓
	Ex-CIS,CFR Turkey	520	530	08/07/2023	↓
Rebar	FOB Turkey	600	620	08/07/2023	↓
	FOB Ukraine	590	595	08/07/2023	↓
Wire Rod	FOB Turkey	610	620	08/07/2023	↓
HR coil	FOB Russia	985	995	08/07/2023	↓
CR coil	FOB Russia	680	700	01/07/2023	↔

Russia extends scrap export quotas until the end of 2023

The Russian government has announced that it had extended scrap export quotas for another six months, from July 1 to December 31, 2023.

A Russian manufacturer said: "This measure is a way to prevent an excessive increase in domestic prices for long steel products."

The quota for scrap exported outside the Eurasian Economic Union (EEU) will remain at 600,000 tonnes, and the duty rate for quantities exceeding it will stay at 5%, not less than 15 EUR/tonne.

As in previous periods, the Ministry of Industry and Trade of Russia will distribute the quota size among exporters and issue one-time export licenses in the allocated tonnages framework



حديد الإمارات أركان
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Signing a partnership agreement between FERAAL and the Chinese consortium CMH

In Tindouf, a partnership agreement was signed between the National Iron and Steel Company (FERAAL) and the Chinese consortium “CMH” related to the exploitation of iron ores in the Ghar Djebilet-west mine and the valuation of its production by establishing a factory for steel tiles production in Bechar.

This agreement was signed by the President and Director General of the National Iron and Steel Company (FERAAL), Ahmed Bin Abbas, and the President of the Chinese Consortium “CMH”, Zhou Zhibing, in the presence of the President and Director General of the Algerian Mines Complex, Mohamed Sakhr Harami, and the Director General of Mines at the Ministry Energy and mines, Nadjiba Bourenane, and the Mayor of Tindouf, Mohamed Mokhbi.

According to the clarifications that were presented during the signing ceremony, this agreement seeks to work on extracting 2 million tonnes of iron ore per year, in the horizons of 2026 from the Ghar Djebilet-West mine, before reaching an annual extraction capacity of 50 million tonnes of iron ore in the horizons of 2040.

It is expected that the integrated mining and mineral development implementation project will contribute significantly to reducing carbon emissions and achieving sustainable development globally in the iron and steel industry, in addition to providing important revenues for Algeria.

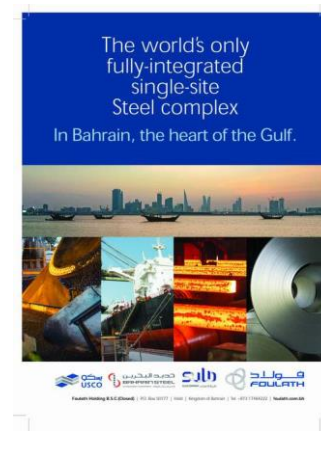
On the other hand, the explanations presented on the occasion stated that the Chinese Technical Review Committee for Metallurgical Industry and Transformation confirmed that the smelting and metal transformation process in iron ore with a high phosphorus concentration has become possible.

Mr Harami said, on the occasion, that this project is “a stage of putting into effect the strategy adopted by the Ministry of Energy and Mines to embody the roadmap approved by the government to value mining resources and construct major projects.”

“The project to value the Ghar Djebilet mine will allow, in its early stages, to provide raw materials for the entire steel industry in Algeria, which needs large quantities,”

In this context, Mr Harami mentioned that Algeria imported \$1.2 billion worth of ferrous raw materials last year, highlighting that, upon completion of current investments in the steel industry field in 2025, \$2 billion will be saved. Regarding the handle that will be employed in this project, Mr Harami said that about the extraction of raw materials, the handle is mostly “Algerian” under the skills acquired by the national company “Feraal” in this field.

As for the transfer, according to him, the matter requires the presence of a Chinese workforce, with the gradual formation of Algerians in these technical fields. In turn, the governor of Tindouf confirmed that the Ghar Djebilet mine project, as well as the railway project that will link Tindouf and Bechar, will create great economic movement and development in the region, in addition to a large number of jobs.



China is preparing plans to help the steel industry to join the carbon emissions market

The Chinese government is preparing plans to include the domestic steel industry in the national carbon emissions market, just as the European Union prepares to impose an import tax on carbon emissions.

”Researchers from the Ministry of Environment and steelmakers Hebei Iron & Steel and Sinosteel Group are studying emissions related to the steel industry, to set standards for measurement and reporting of emissions for each company,” said the Chinese Academy of Environmental Planning, a government think tank leading the preparation of the plans.

Bloomberg quoted the academy as saying that the formed working group is developing a plan to distribute carbon emissions quotas to steel industry companies, to include the industry in the national carbon emissions market as soon as possible. In May 2022, a source said that China seeks to fit the steel industry in the national carbon emissions market during 2024.

It is noteworthy that the European Union intends to start implementing the new rules to regulate the steel products import according to the quantities of carbon emissions issued by their production processes, as of October 1. Where the Union will oblige exporting companies to report only the quantities of emissions they emit, during the next three years, if the Union begins linking import duties to the emissions quantities as of 2026.

Tata Steel plans to build a second electric arc furnace (EAF) in South India

Tata Steel Chief Executive Officer Narendran said, in a statement on July 6 that India’s Tata Steel plans to set up Electric Arc Furnace (EAF) based recycling plants in South India.

He said, “The Company is already building a steel plant with a capacity of 750,000 tonnes per year in Ludhiana in northern India, which is expected to be completed within the next two years. The construction of EAFs will play a huge role in Tata Steel’s sustainability drive.”



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OPEC” .. An optimistic vision of oil demand in 2024, despite the slowdown”

Sources close to the Organization of the Petroleum Exporting Countries (OPEC) said: “The organization is likely to maintain its optimism about oil demand growth for next year in its forecasts that it publishes this month,” as it believes that it will slow compared to the current year, but remains above average.

Likely, that (OPEC) crude growth demand expectation in 2024 will be lower than that for the current year, which amounts to 2.35 million barrels per day, or 2.4% of total production, which is an unusually high rate as the world emerges from the “Corona” pandemic.

Even if it retreats from this figure, it will remain much higher than the annual average for the past decade, except for the years of the pandemic, and will exceed the expectations of the International Energy Agency, which sees a significant slowdown in demand growth next year, to 860,000 barrels per day.

A dispute has erupted between (OPEC) and the International Energy Agency repeatedly in the past few years, as the organization criticizes the agency, which advises industrialized countries, for what it considers irresponsible expectations, and the subsequent data revisions.

Strength indicator

The growth in oil demand is a potential strength indication of the oil market, and it is one of the factors influencing the production policy decisions taken by (OPEC) and its allies, which together form the (OPEC +) bloc. In June, the group extended supply curbs until 2024 to support the market as prices slumped on demand concerns.

As for 2024, three sources from (OPEC) said that demand growth would likely slow, but it will not be as severe as the International Energy Agency expects, it is also likely to exceed one million barrels per day, but below two million. A fourth source close to (OPEC) said that demand is likely to rise by at least 1.5 million barrels per day.

Conflicting expectations

A source in the organization said, “It is expected that the oil demand increase in 2024 will be much less than in 2023,” adding that it may range between 1.5 and 1.7 million barrels per day. OPEC is expected to publish its first demand forecast for 2024 in its monthly report on July 13. Another source said about the (OPEC) vision for demand in 2024: “It will be more optimistic than the International Energy Agency.”

Senior officials from countries with a vision of (OPEC) demand in 2024, which will be more optimistic than the International Energy Agency, expressed at a conference this week, such as Amin Nasser, CEO of the oil-producing Saudi Aramco, and expressed optimism about the outlook for demand for crude, despite one of the adverse economic factors affecting prices. Nasser said, «Asia is growing. Demand grew in China alone between 2019 and 2023 by three million barrels per day and in India by one million barrels per day, so there is an increase in demand.

Significant Reviews

Oil forecasters often have to make significant revisions due to changes in the economic outlook and geopolitical fluctuations, which this year-included China’s abandonment of COVID-19 restrictions and interest rate hikes.

(OPEC) initially expected demand growth in 2023 by 2.7 million barrels per day in its first forecast published in July 2022 before it was later revised downward to 2.35 million barrels per day (Reuters)





India's steel exports fell to their lowest level in 6 months

In June 2023, India's rolled product exports decreased by 21.4% annually, reaching 502,000 tonnes. This indicator is the lowest since December 2022 due to the demand slowdown in Europe and the competition increased from Asian countries.

Rolled product imports into India in June increased by 7.6% year-on-year to reach 484,000 tonnes, the highest number since February.

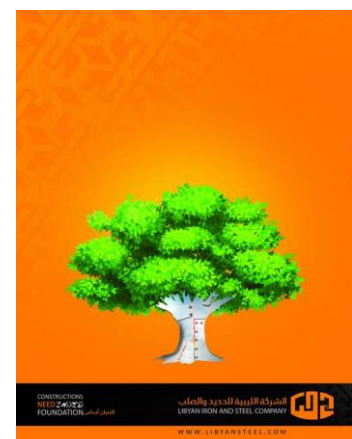
In June 2023, rolled product production in India increased by 12% year-on-year to reach 10.5 million tonnes, and consumption increased by 13.8% compared to June 2022 to attain 9.9 million.

From April to June (Q1 FY2023/24), the Indian rolled product exports decreased by 6.4% year-on-year to 2.05 million tonnes. In July and August, steel shipment volumes for export are expected to remain subdued, with Global markets entering a seasonal consumption decline period.

From April to June, production increased by 11.7% year-on-year to 32.4 million tonnes and consumption by 10.2% year-on-year to 30.3 million tonnes. The country's steel production is expected to keep growing as more new capacity will be put into operation this year.

From April to June, import volume increased by 20% year-on-year to 1.4 million tonnes. Lower prices in Southeast Asia encouraged Indian buyers to import from abroad. Imports came from China, Vietnam and Japan.

In April 2023, India's rolled and semi-finished products exports increased by 13% compared to the same period in 2022, reaching 855,000 tonnes, the highest in 13 months.



Technology

Report: European Union investment Growth in steel-making projects using electric furnaces

The EU continues to invest in several EAF steelmaking projects planned or underway in Europe, often with government subsidies. They also receive funding from the European Union, which increases the expectations of growing demand for scrap under these circumstances.

Most often, these projects are based on plans to decarbonize production. The investment is being combined with other projects involving the basic oxygen conversion furnaces use but with the replacement of coal with other raw materials or hydrogen.

Companies that have announced or launched European projects in the past 18 months include ArcelorMittal, Britain's Liberty Steel Group, Austria's Voestalpine, as well as Germany's Saarstal, Plaster Green Steel and H2 Green Steel.

British Steel has put raised the idea of converting the transformer production to an electric furnace, but the public funding for this plan implementation has not been arranged yet.

These investments have resulted in a steady sales and installation stream over the past two years of equipment from steel technology providers such as Danieli, SMS Group and Primetals Technologies.

ArcelorMittal, Europe's largest steel producer, is making ongoing investments to convert its blast furnaces and oxygen conversion furnaces large proportion into electric furnaces or coal-free converters. The company's efforts have extended beyond Europe to include the Canadian Steel Complex project.

Ferrous metal scrap demand is expected to grow. In addition, DRI and hydrogen, in particular, will play a significant role, and representatives of the Federal Federation of German Steel Recyclers and Recyclers (BDSV) have been lobbying for scrap as a substantial raw material for global trade and energy security.

The producer-holding company EAF Swiss Steel is promoting the same idea. EAF technology is closely linked to scrap metal, and this likely means that even steel producers that invest in DRI production will become part of the larger scrap market in Europe and beyond.

The EU can transform from an exporter to an importer of steel scrap as steel manufacturers worldwide have switched to electric arc furnaces (EAFs), and competition for this raw material will only increase in the coming years. The European Union exports about 18 million tons of scrap annually.





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