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- \$1.3 billion is the volume of Egypt's iron and steel exports in January – August 2024.

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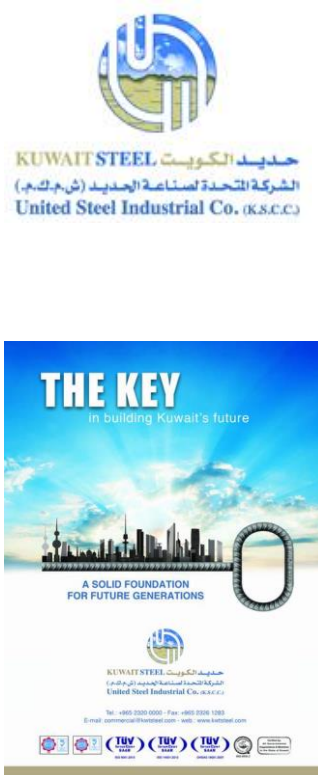
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United Steel Industrial Co. (K.S.C.C.)

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North Africa

Tosyali Algeria launches second DRI production unit

Tosyali Algeria announced the commissioning of the second direct reduction unit, which operates using 100% natural gas or hydrogen with modification, which reduces carbon emissions.

The new module will produce 2.5 million tons of products (HDRI, CDRI) per year. According to equipment supplier Midrex, the plant is capable of operating with an increased percentage of hydrogen in the future, which will then produce flat products. Tosyali Algeria plans to commission a new hot strip mill this year, and a cold strip mill and galvanizing line in 2025.

The company currently has two DRI plants with a capacity of 2.5 million tons per year each. It is also in talks with Midrex for a third plant, which will also be located in Bethia and will use the MIDREX Flex concept to convert to hydrogen.

Egypt moves to amend carbon limits to enhance competitiveness

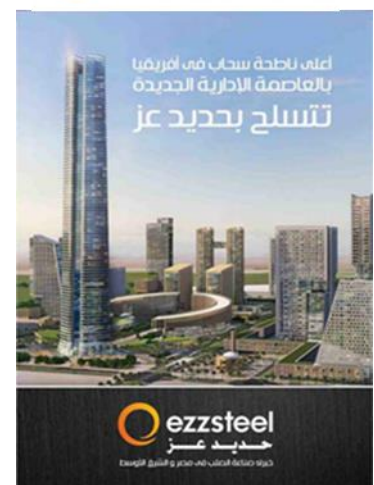
Dr. Mostafa Madbouly, Prime Minister of Egypt, held a meeting with a number of ministers and officials to discuss the mechanism for amending carbon limits to enhance Egyptian competitiveness in the field of exports.

Counselor Mohamed El-Homosany, the official spokesman for the Presidency of the Council of Ministers, stated that the meeting discussed the available alternatives to deal with the obligations that will result from the start of work on this mechanism.

He added that it was emphasized during the meeting that Egypt aims to expand green investments by about 40% and 50% as green investments of the total investments in the state plan for the years 2024 and 2025, respectively.

He said: Egyptian efforts in this framework began before the “COP27” climate conference, which was held in Sharm El-Sheikh, then the “COP28” conference, which was held in the Emirates, and will be completed at the “COP29” conference scheduled to be held during the coming period, and the 2050 climate strategy was issued, and the National Committee for Environmental and Climate Policies was formed, which aims to take many measures and launch initiatives to reduce carbon in Egyptian sectors; To enhance environmental sustainability practices.

Counselor Mohamed El-Homsany pointed out that the meeting witnessed a review of the positive opportunities that can be benefited from with the start of implementing the mechanism, through establishing green hydrogen and ammonia factories in the Suez Canal Economic Zone in Egypt, in cooperation with many countries, and expanding the use of green hydrogen and ammonia in industrial technologies, which contributes to reducing greenhouse emissions in the production of iron, steel, fertilizers and chemicals. The meeting was attended by Lieutenant General Engineer Kamel El-Wazir, Deputy Prime Minister for Industrial Development, Minister of Industry and Transport, Engineer Mahmoud Esmat, Minister of Electricity and Renewable Energy, Engineer Hassan El-Khatib, Minister of Investment and Foreign Trade, Ambassador Wael Abu El-Majd, Assistant Minister of Foreign Affairs for Environment and Climate Change Affairs, Dr. Khaled Sofi, Chairman of the Egyptian Organization for Standardization and Quality, and a number of officials.



Egypt: Returning to Building Law No. 119 of 2008 and stopping the current building requirements

Dr. Manal Awad, Minister of Local Development, announced the President of the Republic's approval of the joint study prepared by the Ministry of Local Development in cooperation with the Ministry of Housing to cancel the building and planning requirements currently in effect in Egyptian cities in the governorates, which were issued in March 2021, and to return to working with the provisions of the Building Law. No. 119 of 2008 and its executive regulations, which contribute to simplifying the requirements, especially those that hinder the issuance of building permits.

The Minister of Local Development indicated that this decision will contribute to reducing the burden on citizens, facilitate the procedures for obtaining building permits, and contribute to encouraging the urbanization system that is linked to many professions related to the construction industry, in addition to providing more job opportunities for workers in this field and providing more commercial job opportunities. Developing the local economy in the various governorates of the Republic.

Dr. Manal Awad said that the heights specified in the requirements contained in the approved strategic and detailed plans, the approved zoning controls and requirements, and the approved organization lines will be adhered to, with an emphasis on the commitment to implementing buildings and facilities in accordance with Egyptian codes and allowing commercial and administrative activity on the ground and first floors of residential buildings located on roads with a greater width. On 10 metres

\$1.3 billion is the volume of Egypt's iron and steel exports in January – August 2024

A recent report revealed a 15% decline in Egypt's iron and steel exports in January – August of this year, reaching \$1.368 billion, compared to \$1.617 billion in the same period last year.

Italy came in first place among importers of Egyptian iron with a value of \$161 million, followed by Spain with \$153 million, and in third place Turkey with a value of \$130 million, then the United States with a value of \$118 million.



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Saudi Iron and Steel Company – Hadeed – Reduces Rebar Prices for October Delivery

Saudi Iron and Steel Company (Hadeed) will reduce its long steel prices for October deliveries due to sluggish demand, according to market insiders.

The company plans to lower the price of rebar (12-32 mm) by SAR 70 (\$19) per ton, bringing the new price to SAR 2,300 (\$613) per ton.

Similarly, the price of wire rod (6.5-16 mm) will drop by SAR 70 (\$19) per ton to SAR 2,365 (\$630) per ton.

Above prices are on a CPT Riyadh basis, excluding the 15% VAT.

1 \$ = 3.75 SAR



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World

Steel prices in the last week of September 2024

According to the prices announced in the global steel markets, scrap prices amounted to \$368/ tonne, \$1 up compared to last week's prices. and iron ore prices \$102/ tonne, \$10 up compared to last week's prices.

While the prices of billets ranged between 455 – 585 Dollars per tonne, while it was between 455 – 585 dollars per tonne last week, and rebar prices ranged between 560 –600 dollars/tonne, while it was between 560 –590 dollars per tonne last week.

The following is the **steel prices** statement in the global markets on 28 September 2024

Product	Place	Min	Max	Date	w-0-w
Scrap HMS 1&2 (mix 80:20)	CFR Turkey	368	368	28/09/2024	↑ 1
Iron ore Fe 62%	CFR- Australia	102	102	28/09/2024	↑ 10
Billet	FOB Russia	455	465	28/09/2024	○ 0
	ex-CIS,CFR Tukey	575	585	28/09/2024	↑ 3
Rebar	FOB Turkey	590	600	28/09/2024	↑ 8
	FOB CIS	560	560	28/09/2024	○ 0
Wire Rod	FOB Turkey	595	600	28/09/2024	↑ 8
HR coil	FOB Russia	470	475	28/09/2024	○ 0
CR coil 1mm	FOB China	530	540	28/09/2024	↑ 10

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Fitch: Global steel sector faces increasing pressures due to falling demand

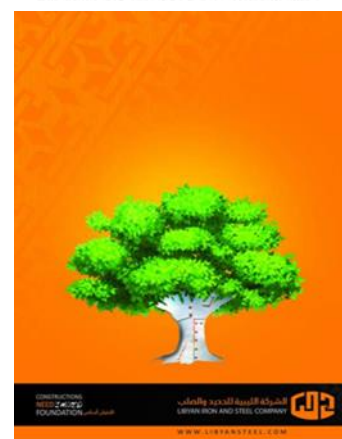
Fitch Ratings indicated that the global steel sector is facing increasing pressures due to falling demand and prices, especially with the rise in Chinese exports that weaken producers' profit margins.

The rating outlook for global steel companies varies based on their debt reduction paths and liquidity risks.

In Europe, maintenance operations that halted production at some European producers failed to support prices, while prices in the United States remain higher due to trade protectionist measures.

Fitch expects a gradual recovery in prices to begin between 2025 and 2026, especially in Europe with the implementation of a mechanism to calculate the cost of carbon emissions in prices.

Many countries are also preparing to increase trade protectionist measures in response to the increase in exports.



Report: Green Steel Industry in the Middle East Gains Global Attention

The talk about green steel is increasing year after year, within the framework of global energy transition and emission reduction initiatives led by Europe, the United States and some major industrial countries.

The Middle East and North Africa region is attracting significant European and global attention within the framework of these emerging initiatives, given that most steel plants in the region are gas-fired, not coal-fired, as is the case in many major producing regions, especially in China and India.

In this context, a recent analytical study – reviewed by the Washington-based Energy Research Unit – expected the Middle East and North Africa to take the lead in the global green steel industry race in the coming decades until 2050.

The study is based on the ability of steel plants in the region to meet the requirements of reducing industrial emissions faster than any other region, given its huge potential in renewable energy.

Hybrid operating systems are key to the future

The MENA steel industry could switch from natural gas to hybrid systems that mix hydrogen with gas to produce direct reduced iron (DRI) in electric arc furnaces without costly structural modifications, according to a study by the Institute for Energy Economics and Financial Analysis (IEFA).

Hybrid operating systems could facilitate the transition to low-emission production in MENA mills, while also positioning them ideally in key global green steel markets, particularly Europe.

Middle Eastern steel mills account for 46% of global production of direct reduced iron (DRI), or sponge iron (DRI), which is used as a raw material for steel production, putting the region in the spotlight of the European steel industry, which is rapidly moving towards green production patterns.

The IEFA study forecasts that global DRI capacity will rise to 175 million tonnes per year by 2030, with the MENA region accounting for a third of the growth.

While global trade in reduced iron is expected to rise to 85 million tons per year by 2050, with the Middle East and North Africa accounting for half of exports.

European carbon tax

MENA manufacturers could be among the first to export green steel to the European Union, which is set to introduce a gradual carbon tax on imports from 2026, restricting the entry of high-emission products through the Carbon Border Adjustment Mechanism (CBAM).

Iron, steel, cement, aluminum, fertilizers and electricity imports are set to be subject to the EU carbon tax, which will gradually increase until 2034, according to the Energy Research Unit.

The MENA steel industry can comply with the EU carbon tax regulations by using low-emission technologies currently, but securing a significant share of the European market in the coming years will only be through a switch to hydrogen, according to Soroush Basrat, an analyst at the Institute for Energy Economics and Financial Analysis.

The analyst advises gas-based ERI plants to prioritize the phasing out of Scope 1 and 2 emissions to meet stringent international green or low-emission steelmaking standards.



Iron ore prices surge for second day, near \$100 a tonne

Iron ore prices rose sharply for a second day on speculation that China's massive stimulus package will help boost demand for the metal.

Iron ore briefly rose above \$99 a tonne in Singapore before retreating, after closing up about 6% in the previous session. Beijing on Tuesday unveiled a raft of measures to support Asia's largest economy, with a particular focus on moves to revive the property market.

The rise in iron ore has raised speculation that prices could continue to climb above \$100. However, iron ore prices are still down more than a fifth since late May due to a slowing Chinese economy, a crisis in the country's huge steel industry and strong supplies from producers in Brazil and Australia. Huatai Futures is one of the companies that has warned of the current volatile iron ore price.

"Driven by macroeconomic stimulus measures, iron ore prices are rebounding strongly in the short term, but the spot market remains cautious" about further price increases, the firm said in a research note. "If demand for steel products does not improve significantly, the market will not reach supply-demand balance and downside risks remain," it added. Iron ore prices rose 3.6% to \$98.10 a tonne after rising nearly 5%. In China, yuan-denominated steel futures in Dalian rose more than 3%, while steel futures in Shanghai also rose.

Warning of a wave of bankruptcies hitting steel companies in China

A report by the Bloomberg Intelligence economic analysis service warned that the steel crisis in China is paving the way for a wave of bankruptcies and accelerating the mergers that the sector needs.

Michele Leung, a senior analyst at Bloomberg Intelligence, said that about three-quarters of steel companies in China suffered losses in the first half of this year, and many of them are likely to declare bankruptcy.

Leung said that the companies "Xinjiang Ba Yi Iron and Steel", "Gansu Jiu Steel Group" and "Anyang Iron and Steel Group" are the most vulnerable to bankruptcy in the coming period, and may be acquired by competitors.

Bloomberg Intelligence reported in its report, as quoted by the German News Agency, that the expected wave of mergers will help Beijing encourage further concentration of the Chinese steel industry.

The government wants China's top five steelmakers to have 40% of the market and the top 10 to have 60% by 2025.

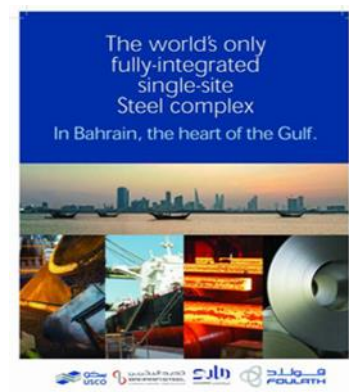
Leung said the target was achievable, although China would still be far behind Japan and South Korea in terms of the size of its steel majors.

China's ongoing property crisis and slowing economic growth are reshaping the country's massive steel industry, with warnings of a crisis worse than those in 2008 and 2015.



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Iron ore prices rise more than 3.5% to exceed \$100 per ton

Iron ore prices traded on the Singapore Exchange continued to rise for the fourth consecutive day during Friday's session, exceeding \$100 per ton, supported by the monetary easing measures that China began implementing this week.

Singapore iron ore futures prices rose by 3.68% to \$102.15 per ton at 12:27 p.m. Mecca time, extending its gains over the course of this week to more than 11%.

The People's Bank of China announced last Tuesday an expanded package of monetary easing measures, which began to be implemented the following day and until Friday, and the measures implemented so far include cutting some key interest rates, as well as the legal reserve ratio for banks.

In addition, the policy committee of the ruling Communist Party held an extraordinary meeting yesterday, led by President Xi Jinping, during which it pledged to strengthen fiscal policy measures and make efforts to revive the real estate sector.

These Chinese moves have supported the prices of basic metals, including iron ore, which is used in the steel industry, a sector that has suffered in the post-pandemic period due to the slow pace of the Chinese economy's recovery.

Iron ore rises more than 4% on Chinese demand outlook

Iron ore prices jumped during Tuesday's trading, as China intends to take several expanded monetary easing measures to stimulate the economy and the real estate sector, which will revive demand for steel in the world's second-largest economy.

The most active iron ore futures prices on the Singapore Exchange rose by 4.74% to \$93.70 per tonne at 08:46 am Mecca time.

This came after the governor of the Chinese central bank said in a press conference today that the bank will reduce the required reserve ratio for banks, interest rates on lending, open market operations for 7 days, and existing mortgage loans, in addition to reducing the percentage of down payments for the purchase of homes of all types.

Iron ore was among the worst performing major commodities this year due to the slowdown in the Chinese economy, and weak demand for steel from the real estate sector there amid its prolonged crisis.

Meanwhile, major low-cost iron ore producers such as Australia and Brazil have been ramping up production, creating a surplus in the market, Bloomberg reported.

The rebound in iron ore prices could continue for some time as investor confidence improves, Han Jing, a market analyst at SDIC Essence Futures, said in a comment on the Chinese measures.

However, the actual impact of China's upcoming measures on iron ore supply and demand dynamics remains uncertain.



POSCO and Primetals to collaborate on development of HyREX plant

South Korean steelmaker POSCO and Primetals Technologies have signed a cooperation agreement to develop and implement the HyREX demonstration plant. This is stated in the message of Primetals.

As noted, the agreement, which was signed in July this year, is based on a memorandum of understanding dated 2022.

The parties have now started implementing the project. The plant will be based at POSCO's facility in Pohang, South Korea. The companies will collaborate on testing the HyREX process and improving its performance, as well as determining economically feasible process parameters.

The HyREX demonstration plant will be equipped with an ore dryer, fluidized steam reactors, a hot DBI transport system and an electric smelter furnace (ESF).

The HyREX process offers a hydrogen alternative to blast furnaces. By using hydrogen as a reducing agent instead of coal, the technology can significantly reduce carbon emissions. The HyREX plant can be fed with sinter charge, eliminating the need for sintering and a coke oven. According to Primetals, the technology is suitable for more than 50% of globally available iron ore grades.

This summer, POSCO unveiled a pilot hydrogen-fired steelmaking unit. The production process uses the HyREX hydrogen reduction process. In this way, the South Korean company is moving towards its carbon neutrality ambitions.

In April 2024, the company succeeded in producing molten iron at the HyREX pilot plant. The plant was then undergoing repairs to improve the quality of the post-process and develop additional technologies.



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