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Arab Steel Industry

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◉ Arab Iron and Steel Union



- AISU is an international Arab N.G.O. specialized in Iron & Steel industry, AISU count 80 members companies from 15 Arab countries.
- Production steel of AISU members representing about 85% of the total Steel Production in the Arab countries.
- Objective of AISU is development of the Arab steel industry.



Development of Iron and Steel Industry in the Arab Countries

First Stage

❑ Started in the fifties of the last century it was a small factories with limited power melting furnaces does not exceed 100 thousand tons per year.

Second Stage

❑ Started in the sixties of the last century it was the beginning of Integrated steel plants using blast furnaces technology started in Egypt and Algeria and Tunisia , Its production capacities was in the range of 1.25 million tons per year in Egypt and Algeria .

Third Stage

❑ Started in the eighties of the last century, it was the beginning of Integrated steel plants using direct reduction and electric furnace smelting technology stated in Qatar and Egypt, and Saudi Arabia.



Growth of steel production in Arab countries

In million tons

Year	1980	1990	2010	2014	2015	2016
Arab Countries	3.0	6.9	14.3	29.6	28.9	30.4

- ❑ Steel Production in Arab countries was 3 million tones in 1980.
- ❑ Steel Production in Arab countries was 6.9 million tones in 1990.
- ❑ Steel Production in Arab countries was 14.3 million tones in 2010.
- ❑ It has become 30.5 million tones in 2016.



Steel demand in Arab Countries

Arab Countries in the Gulf Area

- ❑ Steel Production in Arab countries in the Gulf area in 2016 was 17.6 million tons.
- ❑ Demand of steel products in the Gulf area amounted to 25.5 million tons in 2016.
- ❑ The volume of gap between Production and demand amounted to 7.9 million tons in 2016



Arab countries in North Africa

- Steel Production in Arab countries in the North Africa in 2016 was 12.8 million tons.
- Demand of steel products in the North Africa amounted to 21.7 million tons in 2016.
- The volume of gap between Production and demand amounted to 8.9 million tons in 2016



Gap Between Steel Production And Demand In Arab Countries

- ❑ The gap between Steel Production and demand in Arab Countries in 2016 was 16.8 million tons.
- ❑ The demand of Long products is 70% of total gap.
- ❑ This gap was covered by imports from abroad, from countries such as
- ❑ (Turkey - Ukraine - China - Russia and Southern EU especially Italy and Spain).



Strength Points which support Steel Industry in the Arab Countries

- 1 - Large No. of Arab steel companies are using modern and advanced technology.**
- 2 - Availability of natural gas sources in most of the Arab countries.**
- 3 - Encouraging private sector and foreign investors to invest in Steel industry**



Weak Points which face Steel Industry in the Arab Countries

Internal Causes

- 1 . Sharp drop in oil prices.
2. Geo-political problems in some parts of the Arab Countries.
3. Decline of trade exchange between Arab countries.
4. Devaluation of local currency in some Arab countries.
5. Most production from ordinary steel.

External Causes

- 1 - Excess capacity in some countries of the world.
- 2 - Dumping the Arab markets with cheap products .
- 3 - High cost of raw material (Scrape , Iron Ore) (70% of which is imported)



Arab Countries Measures to Protect Steel Industry

- 1 – Applied standard quality level on imported steel.**
- 2 – Determine annual import quota of imported steel products.**
- 3 – Applied internal regulations to ensure using domestic steel products , in public projects.**
- 4 – Imposing protection fees on some imported steel products in some Arab countries.**



AISU strategy to develop Steel Industry Development

- 1 – Supply the Steel Companies in Arab countries with information system when it is needed.
- 2 - Encourage the Arab steel companies to support research and development.
- 3 - Opening new markets in new geographic areas.
- 4 - Encourage investment in steel industry and the establishment of new projects.
- 5 - Encourage investment in mining field especially in iron ore.
- 6 - Prepare studies and organizing conferences and seminars related to steel industry.
- 7 – Talking with the concerned authorities to dissolve the challenges facing steel companies in cooperation with Arab organizations.



Ladies and Gentlemen:

This presentation illustrates the situation of the Arab steel industry and

Showing the evolution and the challenges and growth opportunities.

And AISU doing for the development of the industry.

Thank you for listening

With best regards for the steel industry in all countries of the world .