



قمة الصلب العربي الـ 16
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Iron and steel industry in the Arab region

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Global Economy Challenges

Events have accelerated after the Corona pandemic, and the world faces many challenges today, including:

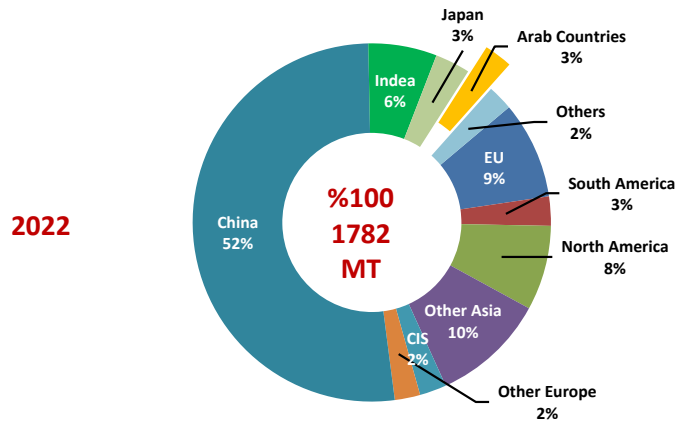
- ✓ Geopolitical situations
- ✓ Tight monetary policies.
- ✓ Obstacles to persistent inflation
- ✓ A decline in the investments' volume
- ✓ High energy prices
- ✓ Commitment to global environmental standards
- ✓ The real estate sector in China declines

A decline in the global economic growth rate from 6.0% in 2021 to 3.2% in 2022 and 2.8% in 2023



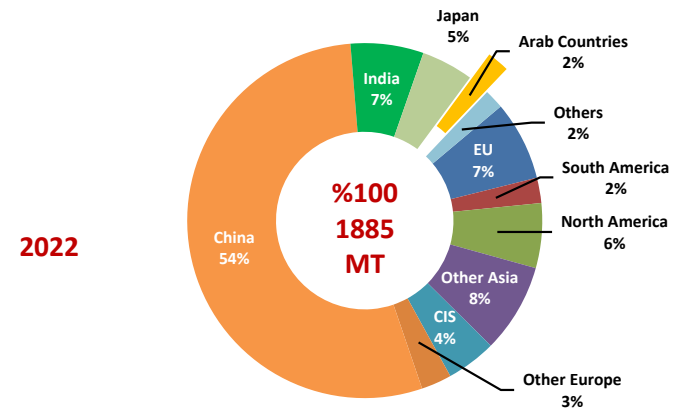
Crude steel production & Steel consumption in the world 2021-2023

Consumption of steel products - million tonnes		
World	2021	1,833
	2022	1782
	%2021/2022	-2.8
	2023e	1780



Consumption of steel products

Crude steel production - million tonnes		
World	2021	1,962
	2022	1,885
	%2021/2022	-4.0
	2023e	1,881



Crude steel production

Source World Steel



Crude steel production & consumption in 2021/2023 in major countries of the world

- ✓ A decline in all indicators of steel production and consumption in 2022 and stability in 2023, except for India
- ✓ China's steel production and consumption decline
- ✓ The global steel industry was affected by:
 - The Russian-Ukrainian war
 - Economic war between the United States and China
 - High energy prices
 - The severe crisis in the real estate sector in China

Consumption of steel products - million tonnes				
Country	2023e	2022	2021	2021/2022%
China	920	921	954	- 3.1
India	135	114	106	7.5
US	94	94	97	- 3.0
Japan	54	57	55	8.4
S.Korea	50	51	56	- 9.0
Russia	40	42	44	- 4.5-
Turkey	38	32	32	0

Crude steel production - million tonnes				
Country	2023e	2022	2021	2021/2022%
China	1015	1017	1035	- 1.8
India	138	125	118	5.6
US	86	80	86	- 7.0
Japan	80	89	96	- 7.9
S.Korea	64	65	70	- 7.7
Russia	68	72	77	- 6.9
Turkey	34	35	40	- 14.3

Source World Steel



Crude steel production - steel consumption in 2021/2023 in the Arab countries

- ✓ An increase in the economic growth rate of the Arab region, which reached 5.6% in 2022
- ✓ The growth rate decreases to 3.4% in 2023
- ✓ Steel consumption increased by 11% between 2021 and 2022
- ✓ Consumption declined by 7.5% between 2022/2023 due to:
 - The volume of new basic projects decreased due to the decline in oil prices
 - Completion of major basic projects that contributed significantly to growth 21/22
 - High interest rates
 - Increased inflation
- ✓ Production and consumption indicators are expected to improve in 2024 with the resumption of suspended projects and an increase in production capacities in Egypt, Algeria and Saudi Arabia.

Consumption of steel products - million T					
Arab region	2021	2022	2023e	%22/21	%23/22
Gulf Area	17.7	20.2	19.2	14.1	-5.0
North Africa	16.4	17.5	15.3	6.7	-12.6
Eastern Mediterranean	8.9	10.1	9.7	13.5	-4.0
Total	43.0	47.8	44.2	11.2	-7.5

Crude steel production -million T					
Arab region	2021	2022	2023e	%22/21	%23/22
Gulf Area	17.7	18.2	17.6	2.3	-2.2
North Africa	16.1	16.5	16.5	2.5	0.0
Eastern Mediterranean	3.1	3.7	3.4	19.4%	-8.1
Total	36.9	38.4	37.5	4.1	-2.3

Source Arab Committee Economic



General overview of steel industry in the Gulf Area

- ✓ The growth rate in the region declined from 7.1% in 2022 to 3.4% in 2023.
- ✓ Saudi Arabia's economy is the principal driver of the region's economy
- ✓ The region's consumption of steel products decline by 4.8% in 2023 as a result of :
 - Completion and postponement of some government projects
 - A significant increase in interest rates in Saudi Arabia
 - Encouraging bank deposits on investment accounts in real estate
- ✓ The UAE, the Sultanate of Oman, and Kuwait maintained their steel consumption rates in 2023
- ✓ Steel consumption is expected to increase in 2024, driven by:
 - Diversification of the economy in Saudi Arabia.
 - The real estate sector is recovering in the UAE and the Sultanate of Oman.
 - Launching medium-term projects, such as a railway project to connect the Gulf Cooperation Council countries.
 - Launching major new commercial projects in Qatar.

Steel products consumption		million tonnes		
Gulf Area	2021	2022	2023e	
KSA	9.8	10.7	9.6	
UAE	4.2	5.4	5.5	
Oman	1.4	1.6	1.8	
Qatar	1.2	1.0	0.8	
Bahrain	0.3	0.3	0.3	
Kuwait	0.8	1.1	1.2	
Total	17.7	20.1	19.2	

Crude steel production		million tonnes		
Gulf Area	2021	2022	2023e	
KSA	9.7	9.7	8.7	
UAE	3.0	3.2	3.2	
Oman	2.0	2.2	2.5	
Qatar	1.2	1.0	1.1	
Bahrain	1.2	1.2	1.2	
Kuwait	0.7	0.9	1.0	
Total	17.7	18.1	17.7	

Source Arab Committee Economic



General overview of steel industry in North Africa

- ✓ Stability in the economic growth rate in North African countries in 2023 at 4%.
- ✓ The economic growth rate of some countries declined as a result of the increase in inflation and the decline of the local currency.
- ✓ A decline in the volume of consumption of steel products by 20% in 2023 due to:
 - Completion of existing residential projects in Algeria.
 - Postponing some basic projects under implementation
 - Rationalization of expenses and setting priorities.
 - Some steel companies resorted to exporting to obtain foreign currency to meet their needs for raw materials.
- ✓ Production and consumption indicators will improve in 2024 with the resumption of suspended projects and an increase in production capacities in both Egypt and Algeria.

Steel products consumption		million T	
North Africa	2021	2022	2023e
Egypt	9.4	10.2	8.3
Algeria	3.6	3.6	3.5
Morocco	2.0	2.4	2.3
Tunisia	0.7	0.7	0.6
Libya	0.7	0.6	0.6
Total	16.4	17.5	15.3

Crude steel production		million T	
North Africa	2021	2022	2023e
Egypt	10.3	9.8	9.9
Algeria	4.0	4.3	4.4
Morocco	1.1	1.6	1.4
Tunisia	0.08	0.08	0.08
Libya	0.7	0.7	0.8
Total	16.1	16.5	16.5

Source Arab Committee Economic



General overview of steel industry in Eastern Mediterranean

- ✓ The economy of the Eastern Mediterranean region is complex and diverse, ranging from a developing economy to a stable and turbulent economy.
- ✓ Economic growth from 3.0% in 2021 to 4.6% in 2022 and back to 3.0% in 2023.
- ✓ Steel consumption in the Eastern Mediterranean region increased by 13% between 2021/2022 and stabilized between 2022/2023.
- ✓ Iraq leads the iron and steel industry in the Eastern Mediterranean region with 50% of consumption and 88% of production.
- ✓ The stability of Syria will be an incentive for new investments and reconstruction, and thus, the volume of steel consumption in the region.
- ✓ There is a large gap between production and consumption in the Eastern Mediterranean region, exceeding 6 million tonnes, and therefore investment opportunities.

Steel products consumption million T

Eastern Mediterranean	2021	2022	2023e
Jordan	0.6	0.8	0.8
Syria	2.0	2.1	2.1
Iraq	4.2	5.4	5.1
Lebanon	0.9	0.8	0.8
Yemen	1.1	0.9	0.9
Total	8.9	10.1	9.7

Crude steel production million T

Eastern Mediterranean	2021	2022	2023e
Jordan	0.3	0.3	0.3
Iraq	2.8	3.3	3.0
Yemen	-	0.06	0.1
Total	3.1	3.7	3.4

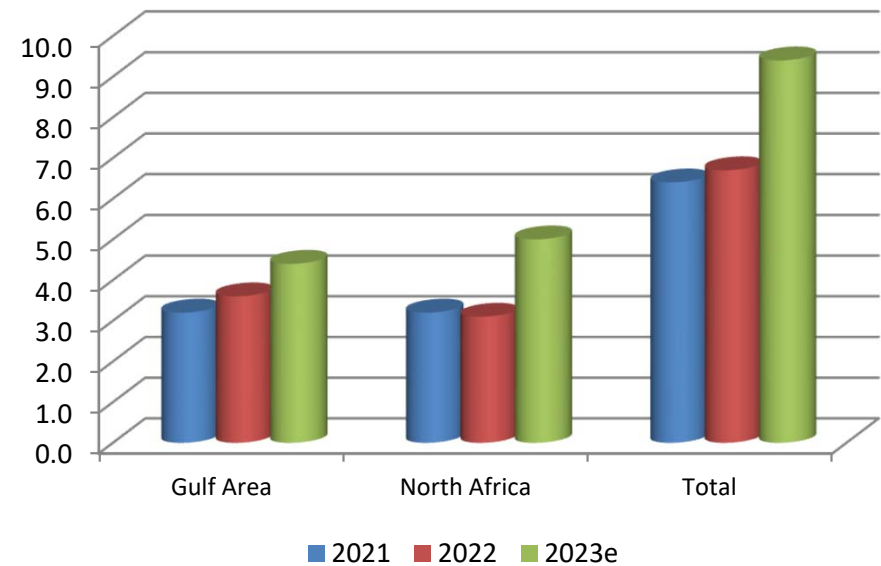
Source Arab Committee Economic



Steel products exports from Arab countries

- ✓ The volume of steel exports to Arab countries in 2023 will witness a rise by 40%.
- ✓ The volume of exports from North African countries is expected to increase by 60% in 2023.
- ✓ Egypt leads North African countries with a 140% increase compared to 2022.
- ✓ The volume of Gulf countries' exports will increase by 22% in 2023.
- ✓ Saudi Arabia and Qatar lead the Gulf countries with an increase of 90% and 94%, respectively, compared to 2022.

Steel products exports		million T		
Arab region	2021	2022	2023e	
Gulf Area	3.2	3.6	4.4	
North Africa	3.2	3.1	5.0	
Total	6.4	6.7	9.4	



Source Arab Committee Economic

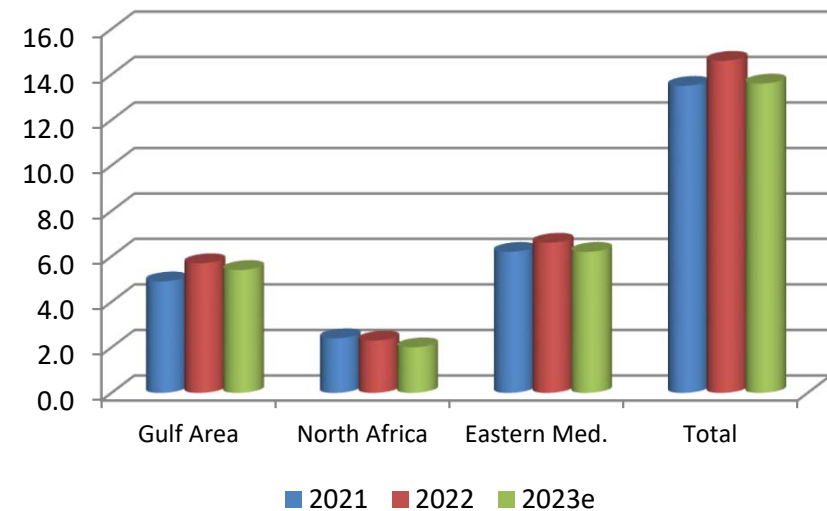


Steel products imports from Arab countries

- ✓ The volume of its imports of steel products decreased by 7% in 2023
- ✓ The UAE, Iraq and Syria topped the countries importing steel products.
- ✓ The region that imports the most is the Eastern Mediterranean, at a rate of 45%, and the least is North Africa, at a rate of 15%.
- ✓ The year 2024 is expected to witness a decline in imports as a result of increased production capacities and expansion in the steel sector in Algeria, Egypt and Saudi Arabia.

Steel products imports		million tonnes		
Arab region	2021	2022	2023e	
Gulf Area	4.9	5.7	5.4	
North Africa	2.4	2.3	2.0	
Eastern Mediterranean	6.2	6.6	6.2	
Total	13.5	14.6	13.6	

Source : world Steel

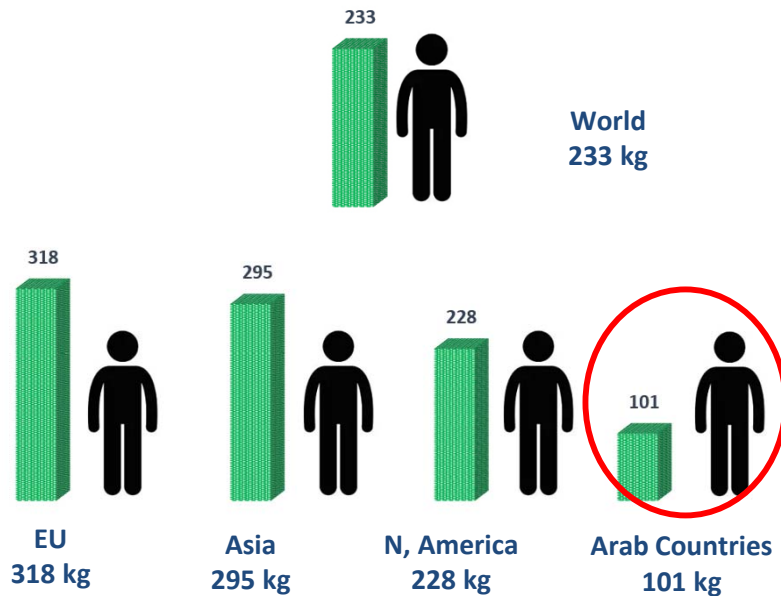


Source Arab Committee Economic

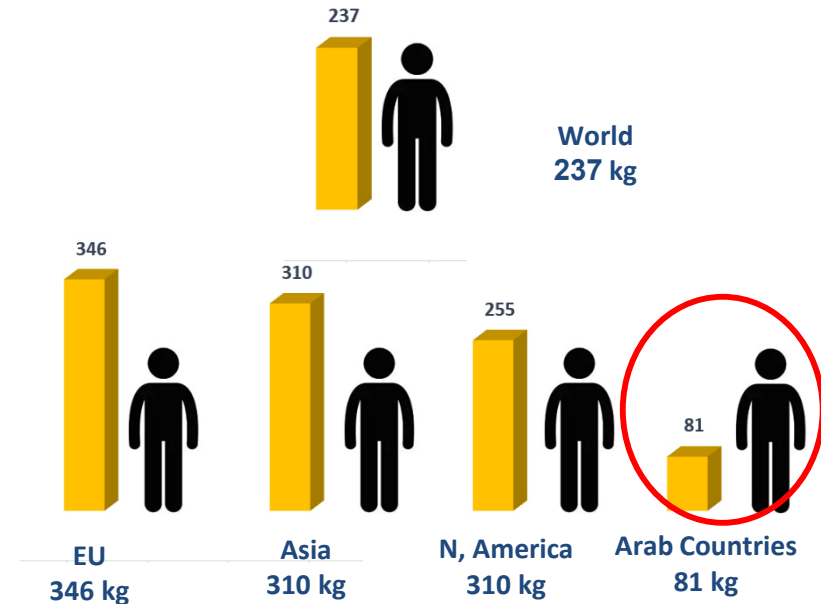


Per capita (Crude steel production - steel consumption) 2022 in regions of the world

Steel consumption per capita



Crude steel production per capita



Sources : World Steel
Arab Committee Economic

- ✓ There is still a gap in favour of Arab countries.
- ✓ There are capabilities to expand and increase per capita production and consumption in Arab countries.



Conclusion

- ✓ A decline in the region's economic growth rate from 5.6 in 2022 to 3.4 in 2023.
- ✓ A decline in the steel production and consumption level in 2023 by (2,5% - 7.5%).
- ✓ Oil prices are the main driver of the economies of oil-exporting countries.
- ✓ Energy prices in the Arab region play an important role in supporting national industry.
- ✓ The increase of Arab steel companies' exports to obtain foreign currency.
- ✓ The Eastern Mediterranean region is one of the promising regions for investment in the iron and steel industry.
- ✓ Steel production and consumption are expected to improve in 2024 due to increasing the volume of oil exports (OPEC+) and controlling inflation.
- ✓ Some Arab companies have made clear progress in reducing carbon dioxide emissions, such as Saudi Arabia, the Emirates, Egypt and Morocco, and appropriate conditions must be created for other Arab companies.



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Thank you

Sources:

Arab Iron and Steel Union - Economic Committee

World Steel Organization

Arab Monetary Fund

International Monetary Fund