A Strategic Outlook for the
Middle East and North African
Steel Markets to 2020

Price forecasts updated May 2008

• Current, historic and forecast production for each product in each country out to 2020
• Analysis by company on planned production, cost structures, product mix, capacity expansions and target geographic markets
• Historic and forecast steel consumption by country and product out to 2020
• Raw material availability (scrap and DRI) and options
• Economic/end-user background and by-sector forecasts out to 2020

“The most comprehensive research done to date about the Middle East steel market”.
George Matta, Ezz Steel

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The Middle East and North African steel markets have never been as commercially significant as they are today - strong oil revenues, a growing manufacturing and consumer base as well as strong economic performance indicators are combining to push steel consumption sharply higher over the last three years.

North Africa and the Middle East is fast becoming a key global consumer of steel products thereby bringing key business opportunities.

Metal Bulletin Research’s new report provides independent business intelligence in understanding the prospects of these markets for any steel consumer, producer, trader, investor or financial institution. If unformed strategic, marketing, technical and investment decisions are to be avoided, key questions need to be addressed that require an in-depth analysis to separate fantasy from reality.

Metal Bulletin Research is the pre-eminent global brand supplier of steel research on the Middle East and North African region. It has acted successfully on behalf of major global and regional banks and other financial sponsors to undertake detailed market feasibility studies for new and existing steel projects within the Middle East and North African region. This unique report allows you to access this highly valuable market information in order to ascertain current and future demand, supply and steel price dynamics within the region out to 2020.

“This study is by far the most thorough independent analysis on this region currently available anywhere”.  
Mr. Kaul, Vice President, Essar Steel
Why is this new study so topical?

• Demand growth for steel within the region over the last three years has been unprecedented;
• A significant proportion of this growth has been supplied by steel mills outside of the region and continues to be so;
• But there are also a large number of companies that have either invested and are looking to invest in new steel production or finishing capacity in the Middle East and North African region. Who are these new entrants? Will their production ambitions really be achievable or even sustainable going forward? Are they really going to be competitive out to 2020?

Given Metal Bulletin Research’s established analytical and forecasting expertise, and amid a considerable lack of either public or reliable information available on this region, Metal Bulletin Research consultants have conducted an exhaustive year-long research study on the Middle East and North African steel sector. This involved numerous senior and middle management contacts with leading traders, steelmakers, investors, financial institutions, service centres and key steel-end users to provide the most comprehensive independent by-product and by-country statistical database anywhere available.

Countries covered in the report include:
Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Kuwait, Lebanon, Libya, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Sudan, Syria, Turkey, Tunisia, United Arab Emirates, Yemen

Product analysis includes raw materials, long and flat steel products:
Ferrous, Scrap, Iron ore, DRI/HBI, Billets, Slabs, HR coil, CR coil, HDG, Rebars, Sections, and Wire rods

With investments taking place right now in regional crude steel production will there be too much or too little supply to meet demand?

Source: MBR
‘A Strategic Outlook for the Middle East and North African Steel Markets to 2020’ also fundamentally provides authoritative and expert opinion on the following key questions:

- How successful will strategic plans be in relation to production, expansions and raw material availability for the major regional steel producers, including among others Ezz Steel, Hadeed, Sonasid, Lisco, Ispat Annaba, Emirates Iron and Steel Factory, Al-Tuwairqi, United Gulf Steel, Erdemir, Nisco and Jordan Steel, likely to be in the short-medium term?

- To what extent steel consumption in the Middle East and North African region will grow relative to increasing steel production capacities from existing and new facilities coming on-stream not just within the Middle East and North Africa region - but critically also from other key regions.

- How will the raw material outlook impact on your cost model for scrap, DRI/HBI, iron ore and billet?

- Are current high steel prices sustainable? How severe could any steel price decline be on your project plans given the current demand-supply fundamentals and projections going forward?

- Will Turkey emerge as a net exporter of HR coil by 2012?

- What are the demand prospects for flat steel relative to long steel consumption?

- What end-use markets will drive consumption forward the most? The study looks at construction, manufacturing, tubular goods and oil and gas in each country.

- Which market is best to be located in, in terms of meeting market demand both locally and regionally?

- What are the prospects for Turkish rebar exports, aimed at GCC (Gulf Co-operation Council) markets, likely to be in the future? Who, if at all, could join them to pose a significant threat to your regional domestic and export markets?

- What are the current rebar and crude steel operating cost structures by regional producer?

- How important could the Iranian market and their steelmakers be in dictating regional pricing and trade dynamics?

- When, if at all, will steel company consolidation occur in the Middle East region? Who will be the key players both regionally and globally?

- How best can you, as a regional steel mill executive, steer your business in order to stay profitable throughout the cycle?

- Out of your competitors, who has sufficient access to raw materials, low enough operating costs, strategic drive and local connections to become a powerful threat to your business future?

- What is the outlook for regional steel prices amid global market activity? Could your production facility be starting at the time of a steel price downturn?
This unique study from Metal Bulletin Research includes over 35 chapters and is over 250 pages in length. For every country included in this study, (Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Kuwait, Lebanon, Libya, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Sudan, Syria, Turkey, Tunisia, United Arab Emirates and Yemen).

Metal Bulletin Research provides:

- Economic outlook - historic and forecast data from 1997-2020
- Per capita consumption of finished steel - current and forecast
- Background to steel industry
- Background to major steel consuming sectors
- Plant profiles of all steel and finished steel producers in that country
- Historic and forecast production, imports, exports and consumption over 2001-2020 for: iron ore, DRI/HBI, scrap, billet, slab, HR coil, CR coil, galvanized, plate, rebar, wire rod, other long products
- Summary chapters on each product, highlighting production, trade and consumption
- A summary chapter on historic and forecast raw material flows
- A summary chapter on current steel production costs, and benchmarking these to global parameters
- Appendix of all steel producers, capacity, technology and expansion plans

**What will new GCC capacity additions mean to demand, supply and pricing dynamics out to 2020?**

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>DRI</th>
<th>Billet</th>
<th>Rebar</th>
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Source: MBR
Note: '000 tonnes; mills in italics are yet to be confirmed; GCC (Gulf Co-operation Council countries)