
Location a great advantage for Turkish steel pipe makers - Mr Sarac

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At the 4th Steel Orbis Turkish Steel Market Conference held in Istanbul on November 13th 2009, Mr Kemal Sarac deputy president of the Turkish Steel Pipe Producers' Association gave a presentation entitled "The Impact of the Crisis and Expectations".

In his presentation, Mr Sarac discussed the evolution of the Turkish steel pipe industry, the work of his association and named the current problems facing the domestic steel pipe industry.

Stating that the global economic crisis caused the world steel pipe industry which had posted growth for the previous 5 years, to register fluctuations in output levels, Mr Sarac said that the steel pipe industry encountered difficulties arising from the uncertain market conditions for flat products which have a wider consumption than long products with their use in the automotive and construction sectors and also for industrial purposes.

According to Mr Sarac, the challenging conditions in the flat steel sector increased as the interest of financial bodies in the steel industry weakened during the crisis. Turkish steel pipe exports, meanwhile, recorded losses in the period in question due to high cost inventories, although the Turkish steel pipe producers had switched from Europe, where the demand for steel pipes had significantly declined, to other markets.

Mr Sarac told the attendees that the Turkish steel pipe industry had been established in the 1960s and that the output of the industry had increased continuously since then. Welded pipe output accounts for 80 percent of Turkey's total steel pipe production. He said that Turkey is an active player in the steel pipe export markets and remarked that the country's traditional steel pipe market, Europe has been replaced by North Africa and the Middle East in recent years.

Mr Kemal Sarac mentioned the problems that the Turkish steel pipe industry is currently facing. He said that Turkey's domestic steel pipe producers are having problems with raw material supplies, as the only flat steel producer in Turkey, namely Erdemir, focuses on the export markets. The imposition of import duty on flat steel products, while an import of steel pipes are tax free, results in an unfair playing field for local producers and creates a disadvantageous situation as regards employment.

Mr Sarac explained that the EU has canceled the cases before the final decision in the reviews and thus the threat of reopening of the cases, before the sunset review period, still exists. He recalled the importance of Turkish steel pipe producers' contribution to these projects, as is the case in the Baku Tbilisi Ceyhan pipeline.

(Sourced from Steel Orbis)

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