
Construction to boost MENA steel demand by 7pct

Wednesday, 18 Nov, 2009

Reuters reported that steel demand in the Middle East and North Africa region will rise by 7% in 2010 to around 60 million tonnes on the back of robust construction spending.

Mr George Matta marketing director at Ezz Steel said that he expected the region's consumption to fall by a slight 2% in 2009 to 55.9 million tonnes. He said that construction activity is likely to be supported by government spending. Steel consumption of oil exporting countries was hardly hit by volatile oil prices.

Mr Matta said that "The huge decline in revenues of oil exporting countries will result in 7% contraction of their steel consumption versus 15% growth from non oil exporters."

He said that this demand growth in the region is set to exceed supply growth, predicting supply to be around 42 million tonnes in 2010 causing 18 million tonnes of shortage and raising the requirement for imports. The region is already a major steel importer. It imported around 20 million tonnes of finished long and flat steel in 2008 and is estimated to import nearly 18 million tonnes in 2009.

Mr Matta said that local producers are facing fierce competition due to the import prices. We have to be competitive to protect our market share.

The price level in Egypt is one of the lowest in the region. Local producers have come together and taken action. They are going to pursue an anti dumping case in relation to surging imports. But he said after his speech that there were no formal anti-dumping applications made to the government yet.

He said that this robust inflow of imports from Turkey has caused a slowdown in the pace of consumption growth in the H2 of 2009. Despite that the country is on track for 34% growth in 2009 steel consumption from 2008 and compared with an estimated 10% to 15% drop in global crude steel production. He predicted consumption would rise to 9.2 million tonnes in 2010 from 8.7 million in 2009.

(Sourced from Reuters)

For more news visit at www.steelguru.com