
Saudi Arab facing steel shortages - Report

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Gulf News reported that the huge rise in prices of steel has led to black marketeering of this basic construction material in Saudi Arabia.

As per report, some of the steel products are being sold on the black market at prices higher than SAR 400 per tonne to SAR 500 per tonne or prices fixed by the Saudi Arabian ministry of commerce and industry.

Minister of Commerce and Industry Mr Abdullah Zainal Ali Riza warned those responsible for the current crisis in the steel market due to the soaring prices. He said that those found guilty would face stringent punitive measures.

The ministry has sent squads to conduct raids on the steel market in various parts of the kingdom and to take punitive measures against the violators of regulations.

Huge demand due to the construction boom in the kingdom coupled with a price increase on the global market and the shortage of supply are the major factors that resulted in the current soaring prices for steel products. According to sources, prices of steel may increase another 50% in the short term.

Mr Naif Al Baqami, an economic expert, noted that the total productive capacity of Saudi steel factories would reach only 3.75 million tonnes insufficient to meet the annual demand of about 4.75 million tonnes.

(Sourced from gulfnews.com)

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