AISU Steel News

Weekly / N° 08/2025

Sunday 23 February 2025

Arab Iron and Steel Union

Latest News

North Africa

- Rebar prices in Egypt February 18, 2025.
- Ashry Steel Group launches Galfa Engineering Industries Factory.
- Officially.. Ezz Steel submits a request for voluntary delisting from the Egyptian Stock Exchange.

Gulf Area

- EMSTEEL Announces Comprehensive Decarbonization Strategy, Aligned with the UAE's Net-Zero by 2050 Strategic Initiative.
- EMSTEEL delivers AED 8.3 billion in revenue for 2024.

World

- Steel prices in the fourth week of February 2025.
- Rio Tinto Reports Lower Results amid Lower Iron Ore Prices.
- EU: First wave of Trump tariffs to hit €28 billion worth of steel, aluminum exports.
- Japan's Mitsui to buy $5.3 billion stake in Rio Tinto's iron ore project.
- Mining companies' profits fall as China's demand for steel slumps.
- Report: US Oil and Gas Industry Between the Hammer of Steel Tariffs and the Anvil of Growth.

Technology

- El Marakby Steel commissions SMS group to upgrade its mill to increase capacity and reduce operating costs.

https://events.aisusteel.org

North Africa

Rebar prices in Egypt February 18, 2025

Rebar prices in Egypt this week ranged between EGP 33,000 – EGP 34,000. The prices were as follows: Ezz Steel EGP 38,200, Suez Steel EGP 38,100, Bishay Steel EGP 38,200, El Marakby Steel EGP 36,000, Egyptian Steel EGP 38,100, Ashry Steel EGP 35,500. Garhy Steel EGP 36,000, Misr Steel EGP 34,500, El Komy Steel EGP 34,500, El Ola Steel EGP 34,000 and Al Gioshy Steel EGP 34,500.

Rebar prices compared to last week's prices are as follows:

Company	EGP/t	Pointer	w-w
Ezz Steel	38,200		0
Suez Steel	38,100		0
Beshay Steel	38,200		0
El Marakby Steel	36,800		0
Egyptian Steel	38,100		0
Ashry Steel	35,500		0
Garhy Steel	36,000		0
Misr Steel	34,500		500
El komy Steel	34,500		0
El Ola steel	34,000		0
Al Gioshy steel	34,500		0

Prices include 14% VAT

Ashry Steel Group launches Galfa Engineering Industries Factory

In a move that enhances its leadership in the metal industries sector, Ashry Steel Group announced the initial operation of Galfa Engineering Industries Factory, one of the largest factories for the production of lighting poles and structural towers in Egypt, as part of its strategy to support infrastructure and meet the growing demand in the local and regional market.

The new factory has a production capacity of up to 2,000 tons per month of lighting poles of various types, including street poles, highways, squares, and stadiums, with heights of up to 30 meters. The factory's production also includes low and medium voltage power transmission towers, communication towers, and cable trays, making it an integrated center for the manufacture of large metal structures. The factory also includes the largest galvanizing factory in the Middle East, with a production capacity of up to 10,000 tons per month, to provide high-quality metal coating solutions that ensure corrosion resistance and improve product quality.

This factory was established in cooperation with the Italian company Gimeco, and operates with the latest automatic systems, making it one of the largest galvanizing stations in terms of size and production capacity in the region. With this giant project, the "Ashry Steel" Group enhances its role as one of the main players in the engineering industries sector, providing advanced solutions that contribute to the development of infrastructure projects with international specifications, which consolidates Egypt's position as a leading industrial destination in the Middle East.

Officially.. Ezz Steel submits a request for voluntary delisting from the Egyptian Stock Exchange

The Egyptian Stock Exchange said that it received the request for voluntary delisting signed by the legal representative of Ezz Steel shares, for 542.354 million shares with a nominal value of EGP 5 per share from the stock exchange tables, voluntarily delisted in implementation of the decision of the Extraordinary General Assembly.

The stock exchange added in a disclosure today, Monday, that the voluntary delisting procedures are being completed to present the request to the Listing Committee and implement the purchase of shares of all shareholders affected by the voluntary delisting, including those objecting to the delisting, as well as mortgaged creditors and other shareholders, the details of which will be announced later.

This is in implementation of the voluntary delisting procedures in accordance with Article No. 55 of the Listing and Delisting Rules and Article No. 74 of its executive procedures.

The Extraordinary General Assembly of Ezz Steel Company unanimously approved the delisting of the company's shares from the stock exchange.

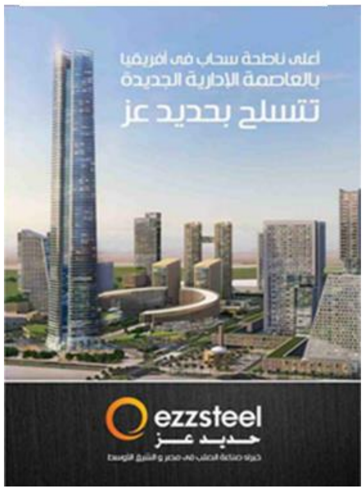
Ezz Steel set the purchase price of the delisted shares; According to the fair value stated in the report of the independent financial advisor BDO, it was decided that the shares of objectors and shareholders who express their desire not to continue in the company after the delisting will be purchased, as well as the shares of deposit certificates will be purchased at EGP 138.15 per share.

The company confirmed that the delisting price is thus higher than the average share price during the three months prior to the announcement of the intention to delist by 28%, and during the six months prior to the announcement of the intention by 40%.

It is noteworthy that the Financial Regulatory Authority rejected the grievance filed by Ahmed Ezz, the main shareholder in Ezz Steel Company, against the exclusion of his shares and the shares of parties related to him from voting on the decisions of the extraordinary general assembly to voluntarily delist the company's shares.

The Financial Regulatory Authority said in a disclosure that the Grievance Committee accepted the grievance in form and rejected it in substance.

Ahmed Ezz owns more than 68% of Ezz Steel Company shares; according to the Financial Regulatory Authority's statement issued today, Wednesday.



Latest News

Gulf Area

EMSTEEL Announces Comprehensive Decarbonization Strategy, Aligned with the UAE's Net-Zero by 2050 Strategic Initiative.

MSTEEL ('The Group', one of the GCC region's largest publicly traded steel and building materials manufacturers, today unveiled its ambitious decarbonization strategy. The company aims to achieve a 40% reduction in absolute greenhouse gas (GHG) emissions in its Steel Business Unit and a 30% reduction in its Cement Business Unit by 2030, using 2019 as the baseline year, with the ultimate goal of reaching net-zero emissions by 2050.

This strategy underscores EMSTEEL's commitment to sustainable manufacturing and aligns with the UAE's Net Zero by 2050 Strategic Initiative, the UAE's Nationally Determined Contribution (NDC 3.0), and the Paris Agreement. EMSTEEL is dedicated to driving industrial decarbonization in line with the UAE's goal of a 27% reduction in industrial emissions by 2035 from 2019 levels.

To achieve a significant reduction in its CO_2 footprint, the Group will focus on implementing key decarbonization strategies, including enhancing energy efficiency, incorporating advanced process optimization technologies and utilizing alternative fuels and raw materials in steel and cement production. Additionally, it is also expected to accelerate the use of clean and renewable energy to cover 100% of electricity demand by 2030.

EMSTEEL delivers AED 8.3 billion in revenue for 2024

EMSTEEL announced today its preliminary (unaudited) financial results for Full Year 2024.

During 2024, EMSTEEL maintained overall steel production volumes in line with the level attained during 2023. The Group delivered total revenues of AED 8.3 billion, approximately 6% lower than the AED 8.9 billion reported for 2023.

This decrease in revenue is due to various factors, including fluctuations in global steel prices, increased competition, and changing demand trends driven by economic uncertainties in key markets.

EMSTEEL's profitability margins have been affected by an increase in low-priced Chinese steel exports, which have directly or indirectly impacted prices in several of the Group's key markets, including the GCC and important export destinations like Europe and the US. Despite the challenging market environment EMSTEEL realized a solid Profit before tax of AED 432 million and Net Profit after tax of AED 392 million.

The Group further strengthened its balance sheet, realizing a positive net cash generation of AED 401 million resulting in a balance sheet free of net debt. The Net Profit was supported by the reversal of an impairment taken during COVID, with a net positive impact of AED 189 million.

In 2024, EMSTEEL recorded EBITDA of AED 892 million, with a margin of 10.9%, compared to 14.2% in 2023. EMSTEEL's FY24 profitability was supported by a significant improvement of the Group's EBITDA during the fourth quarter of the year, amounting to AED 247 million, up 81% compared to the third quarter of 2024.

Latest News

World

Steel prices in the fourth week of February 2025

According to the prices announced in the global steel markets, scrap prices amounted to $360/ tonne, unchanged compared to last week's prices. and iron ore prices $109/ tonne, $3 up compared to last week's prices.
While the prices of billets ranged between 432 – 460 Dollars per tonne, while it was between 430 – 455 dollars per tonne last week, and rebar prices ranged between 510 – 565 dollars/tonne, while it was between 510 – 575 dollars per tonne last week.
The following is the **steel prices** statement in the global markets on 22 February 2025:

Product	Place	Min	Max	Date	w-o-w
Scrap HMS 1&2(mix 80:20)	CFR Turkey	360	360	22/02/2025	0
Iron ore Fe 62%	CFR-Australia	109	109	22/02/2025	3
Billet	FOB Russia	432	442	22/02/2025	2
	Turkey FOB	450	460	22/02/2025	5
Rebar	FOB Turkey	555	565	22/02/2025	-8
	FOB Ukraine	510	530	22/02/2025	3
Wire Rod	FOB Turkey	565	585	22/02/2025	-5
HR coil	FOB Russia	470	480	22/02/2025	0
CR coil 1mm	FOB China	560	570	22/02/2025	13

Rio Tinto Reports Lower Results amid Lower Iron Ore Prices

Australia-based miner Rio Tinto has announced its financial results for 2024.The company has posted a net profit of $11.57 billion for 2024, compared to $9.95 billion in the previous year.

In 2024, the company's consolidated sales revenues decreased by 0.7% to $53.66 billion compared to 2023 due to lower prices in line with slowing global demand.

The company's underlying EBITDA in the given period totaled $23.31 billion, decreasing by 2.4% year on year due to lower iron ore prices, partly offset by higher prices for copper and aluminum.

The financial report released by the company stated that the iron ore operations of the company posted a 19.0% decline in underlying EBITDA, due to lower iron ore prices and marginally lower shipments.
The company achieved an $89.6/wmt FOB average iron ore price in 2024, compared to $99.7/wmt FOB in 2023.

EU: First wave of Trump tariffs to hit €28 billion worth of steel, aluminum exports

The European Union estimates that the first wave of U.S. tariffs on steel and aluminum will hit up to €28 billion ($28.3 billion) worth of exports from the bloc, marking a major escalation in U.S. President Donald Trump's trade war.

The amount of goods would be roughly four times larger than the last time Trump targeted Europe's metals sector, according to Bloomberg News. After European Trade Commissioner Maros Sefcovic met his U.S. counterparts in Washington, he told the bloc's ambassadors that the situation was fluid and the details and extent of any tariffs could still change, said the people, who asked not to be identified.

As part of his effort to shake up global trade rules, Trump has announced a series of tariffs including a 25 percent duty on steel and aluminum exports that could take effect on March 12. He also announced retaliatory tariffs based on partner policies that are seen as obstacles to U.S. trade.

The European Commission, which has authority over the EU's trade moves, declined to comment. As for the EU, the dispute over U.S. metals tariffs began in 2018 during Trump's first term, when the United States imposed duties on an estimated $7 billion worth of European steel and aluminum exports, citing national security concerns. Officials in Brussels at the time scoffed at the idea that the EU posed such a threat.

On Wednesday, European Trade Commissioner Maros Sefcovic said in Washington that the EU saw "no justification" for U.S. President Donald Trump to impose additional tariffs on its goods, but was prepared to respond "firmly and swiftly."

Japan's Mitsui to buy $5.3 billion stake in Rio Tinto's iron ore project

Japanese brokerage Mitsui is set to buy a stake in an iron ore exploration project in Australia, becoming a partner of Rio Tinto Group.

Mitsui said in a statement on Wednesday that it will acquire a 40% stake in the Rhodes Ridge exploration project in Western Australia for $5.3 billion, according to Bloomberg.

It explained that this stake is owned by two minority shareholders, and Rio Tinto will retain its full 50% stake in the project, which is expected to start production in 2030.

It added that the deal is divided into acquiring a 25% stake owned by VOC Group, and 15% owned by AMB Holdings, which will continue to retain 10% ownership of the project.

She added that she will turn the project into a joint investment with Rio Tinto, which spent $77 million studying the site in 2023 to prepare it for production.

Mining companies' profits fall as China's demand for steel slumps

The world's biggest mining companies have benefited from China's surge in demand for iron ore in the past, but they are now being hit by the economic challenges facing China, their biggest customer.

Australia's BHP Group, Rio Tinto, Fortescue and Brazil's Vale all reported lower profits this week, as prices for the key steelmaking metal fell amid China's ongoing property crisis and its impact on construction demand in the world's second-largest economy. Companies with the most investment in iron ore were the hardest hit.

Iron ore was one of the worst performing commodities in 2024, with iron ore prices down by more than a quarter and benchmark futures prices down about 7% from a year earlier. Prices on the Singapore Exchange topped $140 per tonne before falling to around $100 per tonne, with analysts expecting the decline to continue to below $90 per tonne by the end of 2025.

China and Steel Demand

China's steel demand is expected to have peaked during the current period, and its decline indicates a decline in demand for iron ore. Although the country continues to import more than a billion tons annually, the expected turning point has not yet occurred.

Steel mills are under increasing financial pressure, and the government is unlikely to provide a stimulus that would give the construction sector a major boost. The rise in protectionism around the world is also expected to negatively impact steel exports from China.

The decline in demand is not the only source of pressure on iron ore prices, as supply is also likely to rise, with the giant Simandou project in Guinea expected to start up later this year, in addition to increasing production in Australia and Brazil.

Jiang Mengtian, chief iron ore analyst at Shanghai-based consultancy Horizon Insights, said smaller, higher-cost companies would be hit hardest, and "the squeeze on profits will gradually shift to primary production sectors, especially as iron ore mine capacity is expected to rise by about 46 million tonnes in 2025."

Mining companies hit

While lower costs have provided some protection for the big miners, they have also been hit hard. BHP posted record profits in the year to June 2022 thanks to a surge in demand for iron ore, but annual profits have more than halved since then, while Rio Tinto's annual profits from the steelmaking element have fallen 19% from 2023, despite stable production levels.

The two Australian giants have spent decades expanding their iron ore mines, enabling them to profit even when prices are low, and they have a more diversified strategy than some of their peers, with other metals accounting for most of BHP's revenue and more than 40% of Rio Tinto's.

"Rio Tinto is poised to continue generating significant cash flow from its iron ore business, while maintaining and enhancing its ability to benefit from higher copper and aluminum prices as the next demand cycle begins," Chris Lavmina, an analyst at Jefferies Financial Group, said in a research note.

BHP and Rio Tinto saw gross profit fall 23% and 8%, respectively, but miners with greater exposure to iron ore, such as Brazil's Vale and Australia's Fortescue, fared worse. Vale, which relies on iron ore for 80% of its revenue, saw a measure of its latest quarterly earnings fall 41%, while Fortescue, which specialises in iron ore alone, saw its first-half earnings fall 53%.

Report: US Oil and Gas Industry Between the Hammer of Steel Tariffs and the Anvil of Growth

The US oil and gas industry has never been immune to trade policy decisions, but it is currently facing a tough test with the imposition of new tariffs on steel imports.

US President Donald Trump announced a 25% tariff on steel imports, the decision included the cancellation of exemptions that mitigated the impact of previous steel tariffs, in addition to increasing the tariff on aluminum imports from 10% to 25%, and this step aims to "correct long-standing trade imbalances."

Although Washington raises the banner of "trade fairness," major sectors, led by the US oil and gas industry, find themselves facing a new challenge that threatens to raise costs.

A recent report, reviewed by the Energy Research Unit, believes that the new steel tariff will add pressure on the sector, expecting well costs to rise.

Domestic factories meet 74% of the United States' steel needs, but many industries, such as automotive, construction, and energy, still need to import certain types of steel, such as steel pipes and valves that can withstand extreme temperatures and pressures.

The US oil and gas industry is under the pressure of tariffs

Despite the Trump administration imposing a 25% tariff on steel imports in 2018, the US oil and gas industry has not been affected because some countries' exports of oil pipes and valves—steel pipes and valves used in drilling—were exempt from the tariffs.

But recent statements by President Trump suggest that it will be difficult to grant exemptions again from these tariffs, which will take effect on March 12.

According to a report by energy research firm Wood Mackenzie, the United States imports about 40-50% of its drilling pipes, so expect prices to rise amid the tightening of tariffs and the reduction of exemptions.

Given that these pipelines represent about 8.5% of the cost of drilling and preparing onshore wells in the United States, a 25% price increase due to the tariffs will add 2.1% to well costs, according to the Energy Research Unit.

Before the announcement of these tariffs, Wood Mackenzie expected costs to stabilize in 2025, compared to their levels in the last quarter of last year.

Will oil and gas production be affected?

According to the Wood Mackenzie report, the impact of tariffs on the costs of oil pipelines of all types will be limited, compared to the increases witnessed after the Corona pandemic, as prices almost doubled between late 2020 and early 2023.

However, they are expected to increase the financial burden on the American oil and gas industry, at a time when companies were looking to increase their production cautiously.

With these pressures escalating, the American Petroleum Institute confirmed that Trump's policy aimed at boosting oil and gas production requires exemptions from tariffs on oil pipelines of all types.

On the other hand, the impact of the new tariffs may not be limited to the US oil and gas industry alone, but may extend to include energy prices in all its forms, whether traditional or renewable.

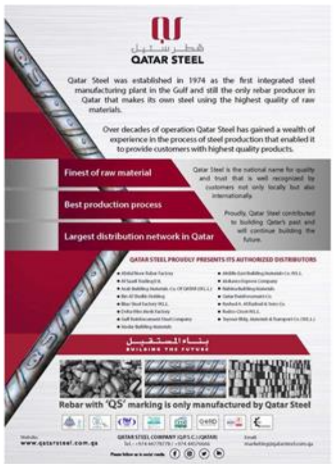
The structures used to support solar panels and wind turbine towers rely on steel and aluminum, which makes them vulnerable to price increases, in addition to the cost of power transmission lines, according to a report published by the New York Times.

How will other industries be affected?

Tariffs on steel imports may contribute to increasing prices, which benefits domestic producers and enhances the chances of increasing jobs in the sector, which currently includes about 140,000 jobs, according to what was monitored by the Energy Research Unit.

This increase in prices was evident when President Trump imposed tariffs on steel and aluminum in 2018, as prices of the two metals rose by about 2%, and imports fell by about a quarter.

Despite these gains, it will come at the cost of significant losses in industries that rely on the two metals, such as construction, automotive, packaging, appliances, oil and electricity, where steel and aluminum prices are a major part of production costs. For example, it takes about half a ton of steel to make a single car, meaning a 25% tariff could increase production costs per vehicle by more than $1,000.



Technology

El Marakby Steel commissions SMS group to upgrade its mill to increase capacity and reduce operating costs

El Marakby Steel has decided to upgrade its mill in collaboration with SMS Group to boost production capacity and reduce operating costs.
Following a comprehensive assessment conducted by SMS Group in 2023, the annual production capacity was increased by 10%, from 400,000 tons to 460,000 tons.

As industries and market demands evolve over time, SMS carried out an assessment of the existing melt shop in early 2023, with the focus on identifying areas that can be optimized to increase capacity. The results of this assessment led to a ten percent increase in annual production.
El Marakby Steel plans to boost capacity even further and reduce operating costs by upgrading equipment already in place.

In 2024, the modernization project focused on key areas of the mill, specifically the electric arc furnace, casting plant, and the rolling mill. Upgrades to the melt shop included the installation of a 55 MVA transformer, two new-generation CONSO systems for lime and carbon injection, and the CONDOOR® automatic slag door.

The CONDOOR® guarantees enhanced efficiency by reducing the power off-time and electrode consumption while increasing metallic yield, with automatic cleaning cycles not only improving safety but also minimizing the risk of refractory damage.

The CONSO system in the EAF provided the additional chemical energy needed for charge melting and liquid bath superheating. The parabolic mold in the continuous casting machine is designed to optimize steel flow, ensuring high-quality production, improving EAF performance, and reducing CO_2 emissions and energy consumption.

The introduction of CONVEX® Mold Tube technology for 150-millimeter square billets, implemented in the continuous casting machine, enhanced the production process by improving heat transfer and surface quality, ensuring consistent dimensions, and reducing defects.

A roughing mill stand with two new cantilever systems, one in a horizontal design (1H) and the other vertical (2V), will be supplied, thus increasing flexibility and efficiency and allowing the mill to accommodate the new billet size. This will enable the customer to increase the material yield and achieve a coil weight of two tons in the wire rod line.

To expand the product portfolio and boost the production capacity of the mill from 400,000 to 460,000 tons of rebar and wire rod per year, a new square billet cross-section of 150 millimeters was introduced in the continuous casting plant.

Arab Iron and Steel Union

Arab Steel News is a Weekly pdf newsletter

To subscribe, please contact us on

E-mail info@aisusteel.org

General Secretariat

P.O. Box 04 Chéraga - Algeria

Tel: + 21320343324

Fax: + 21320343194

Email: relex@solbarab.org

www.aisusteel.org

Cairo Regional Office

P.O. Box: 515 Dokki - Giza - Egypt

Tel: + 20233356219

Fax: + 20233374790

Email: aisucairo@solbarab.org