

The background features a large white circle containing the main text, a solid black circle in the upper left, and several colorful, wavy, semi-transparent ribbons in shades of green, yellow, orange, and red that flow across the right and bottom portions of the slide.

Opportunities & Challenges for MENA Steel Industry

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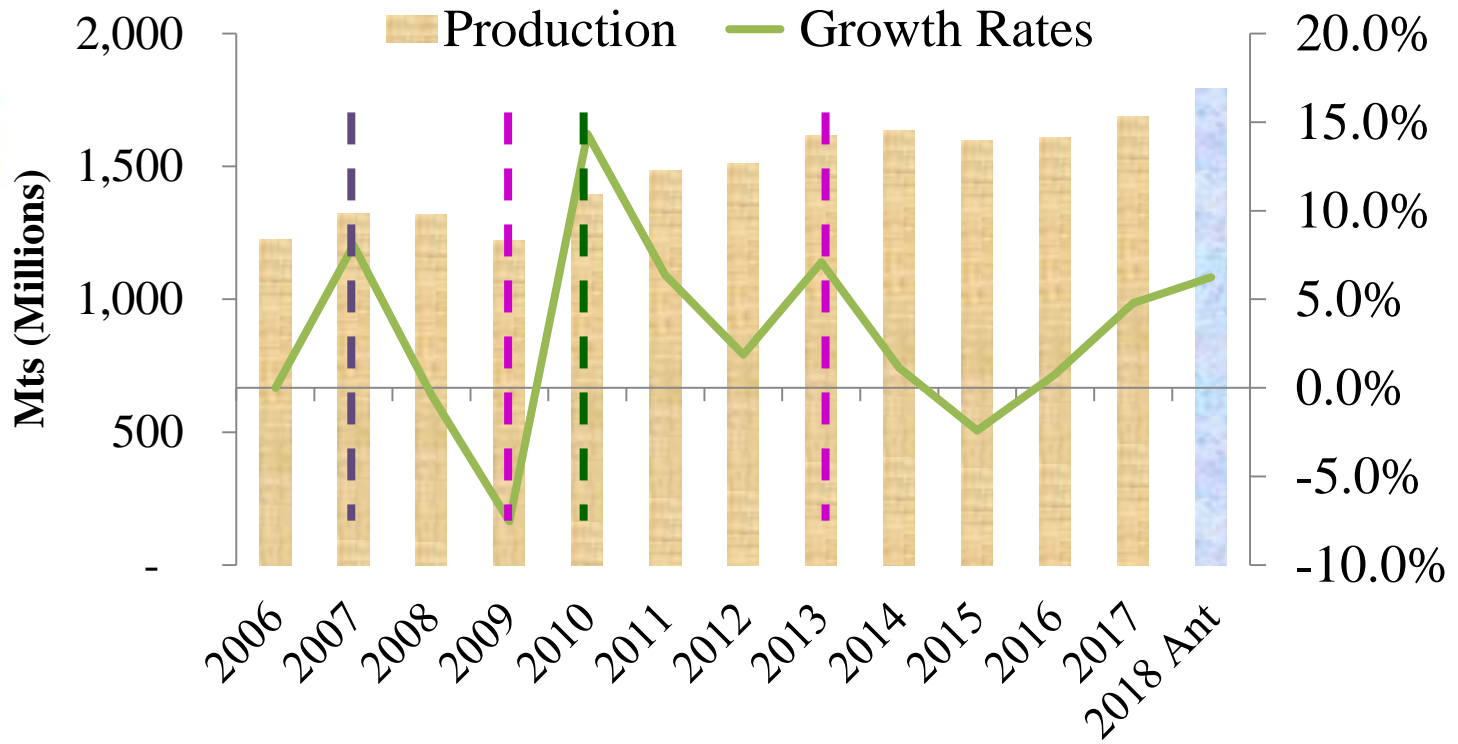
Agenda

- Global Steel Scenario
- Middle East Scenario
- Trade Actions
- What's Next for Middle East
- Al Ghurair Iron & Steel



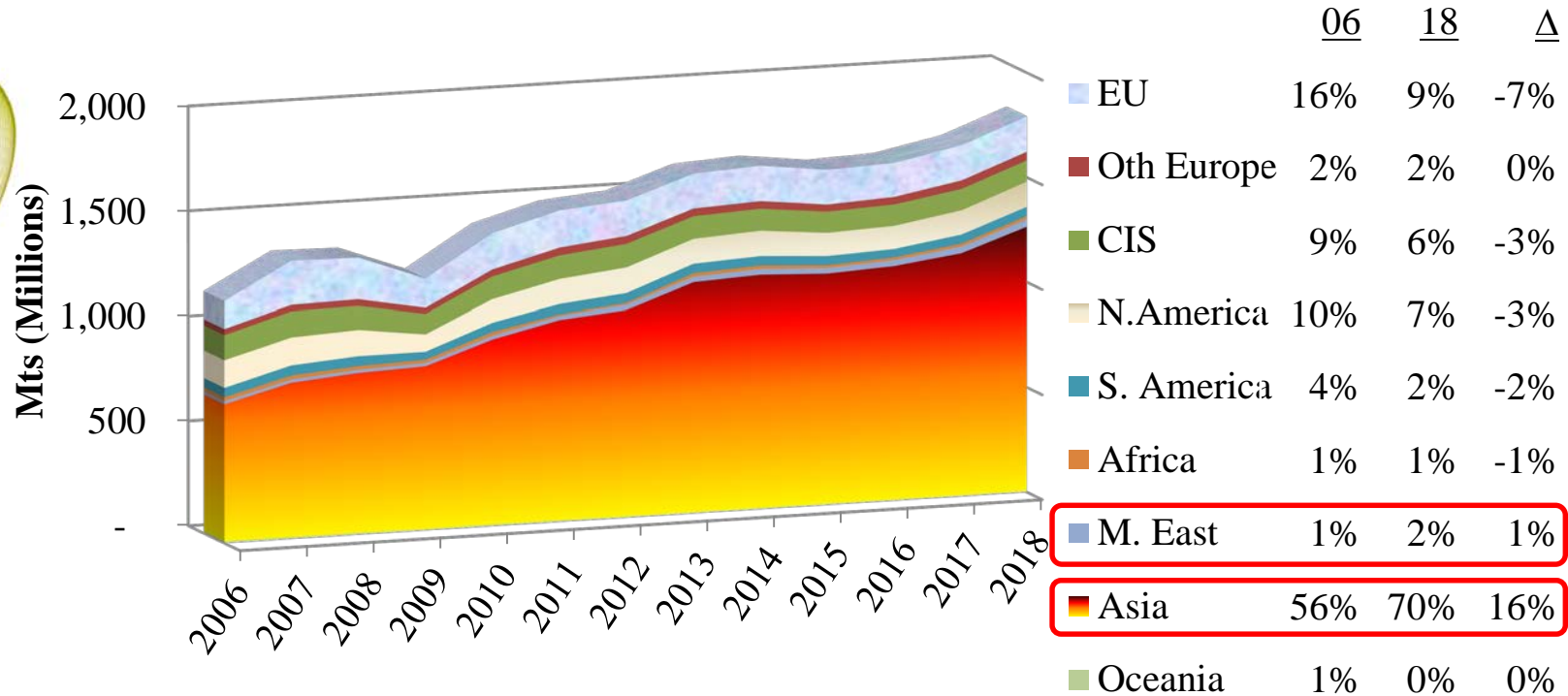
Global Steel Scenario

Global Steel Production – by Year



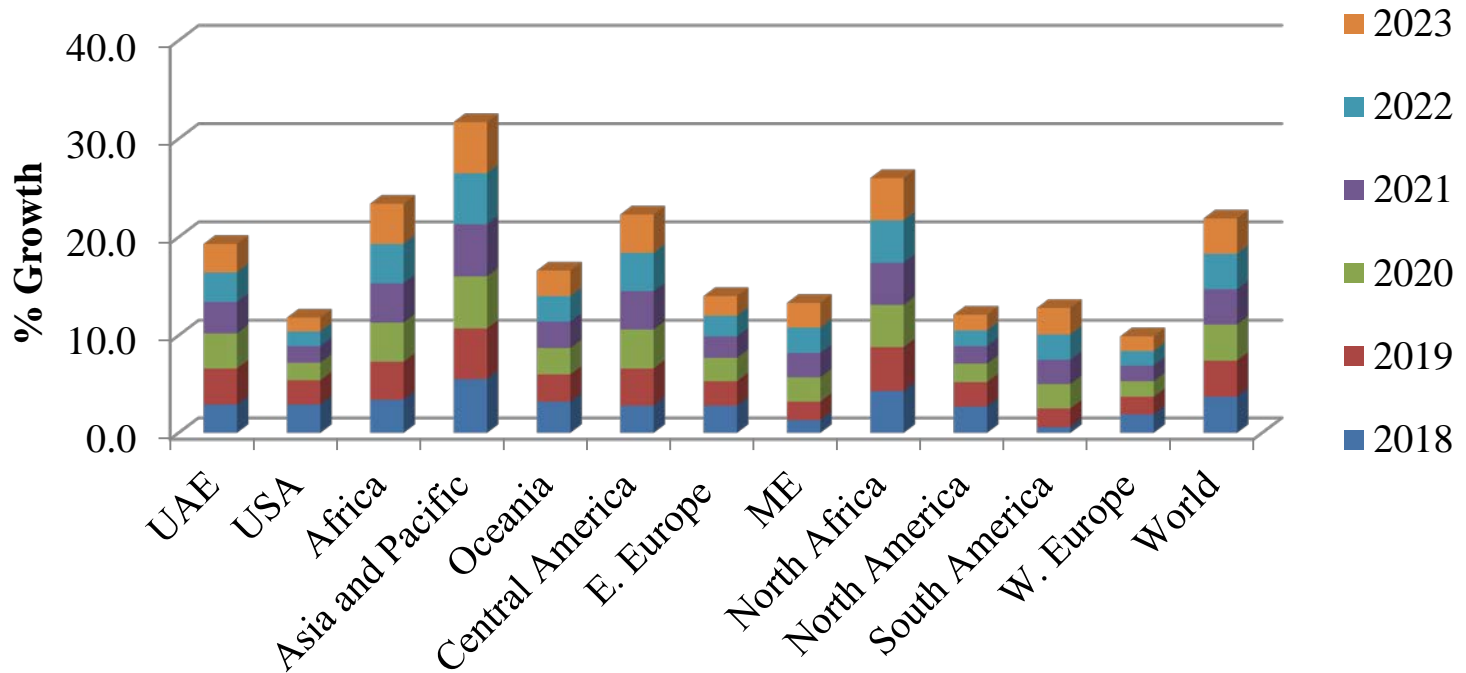
- 1.5 Billion Mts already produced in 2018 till Oct
- 6.3% Y-o-Y Growth

Global Steel Production – by Region



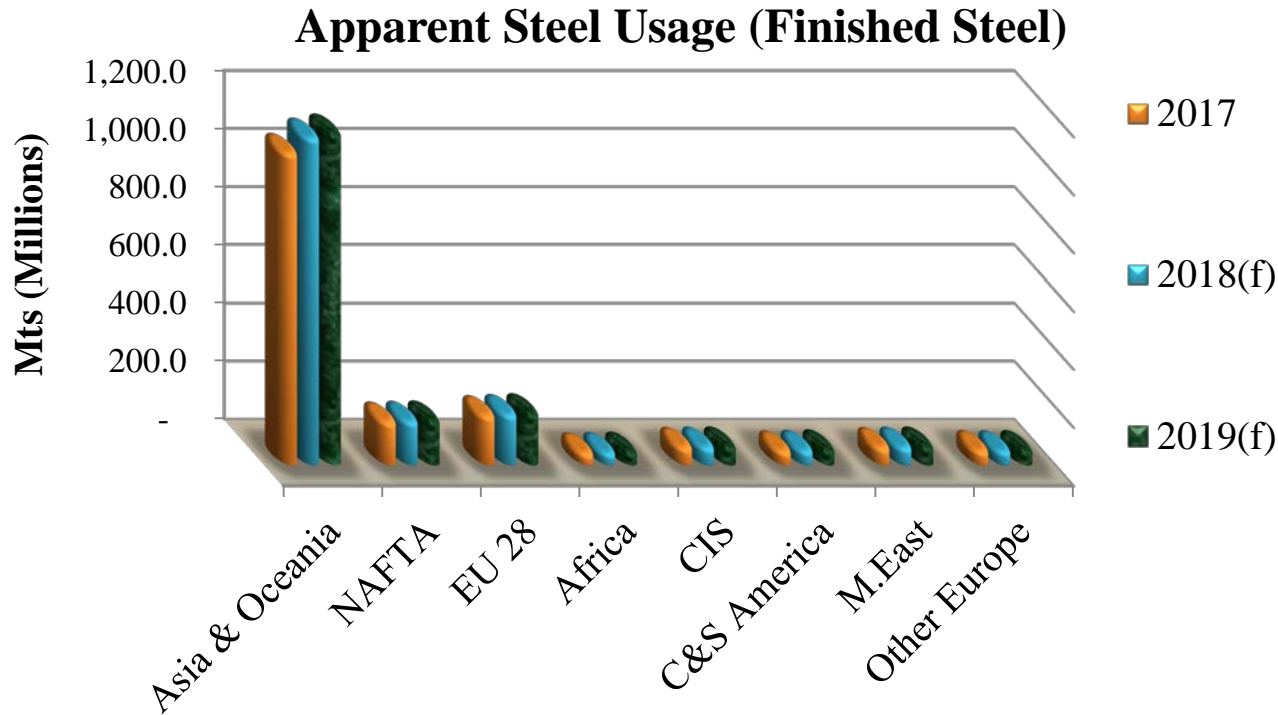
ME – the only region with + growth other than Asia

Global GDP



- Global growth projected to remain steady – 3.7%.
- Effects of trade measures and inflation have led to slower growth.
- Higher oil prices lifting growth in MENA – 2.4% (2018) & 2.7% (2019)

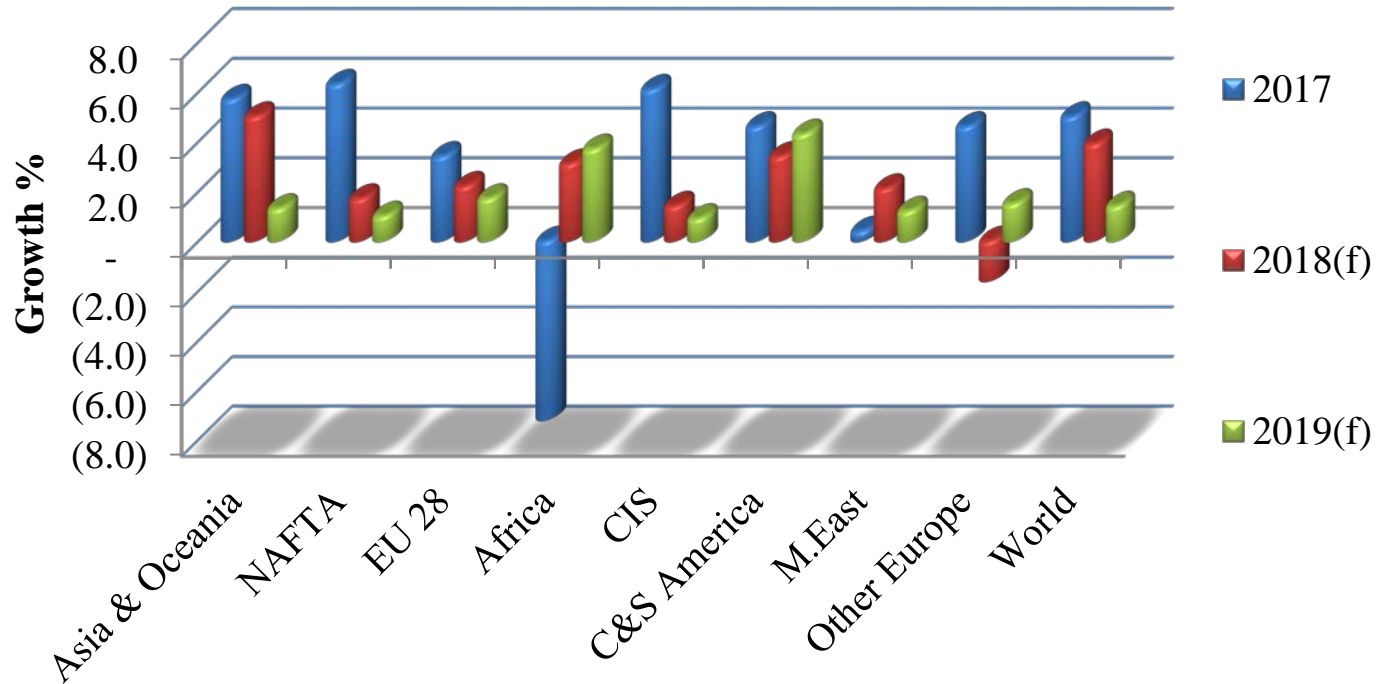
Short Range Outlook



- Asia makes up for 2/3rd of Global Steel Demand
- Global ASU to grow from 1.65B Mts in 2018 to 1.70B Mts in 2019

Short Range Outlook

Finished Steel Demand Growth

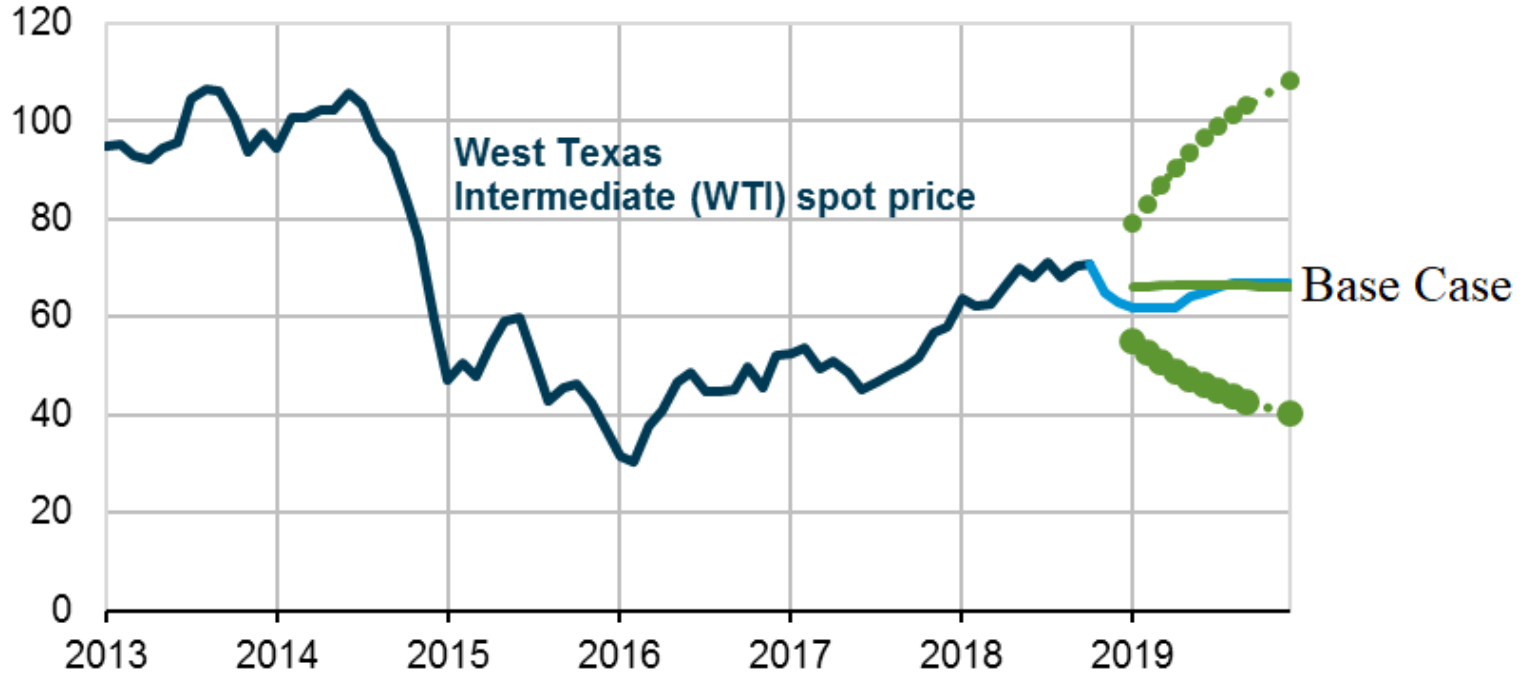


- Global Growth of 3.9% in 2018 and 1.9% in 2019
- Emerging Economies to have the highest growths



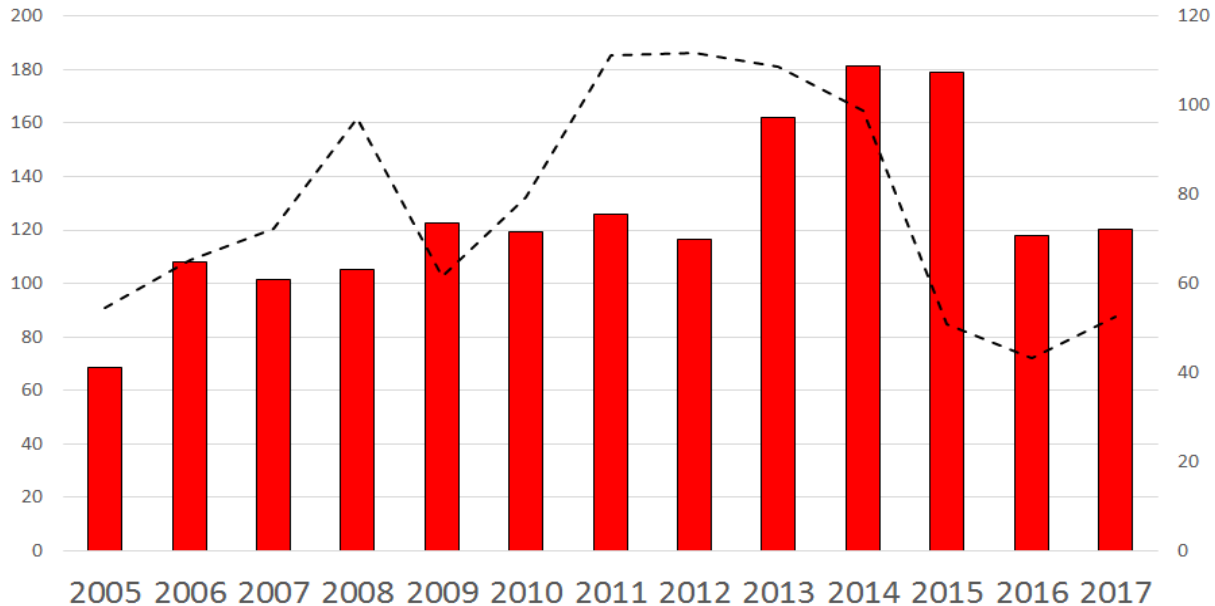
Middle East Scenario

Oil Price Forecast



- Average annual prices \$40.68 (2016), \$52.51 (2017) & \$70.28 (2018).
- US sanctions on Iran & production cuts in Venezuela.
- Strong price forecast for the future >\$100 by 2040

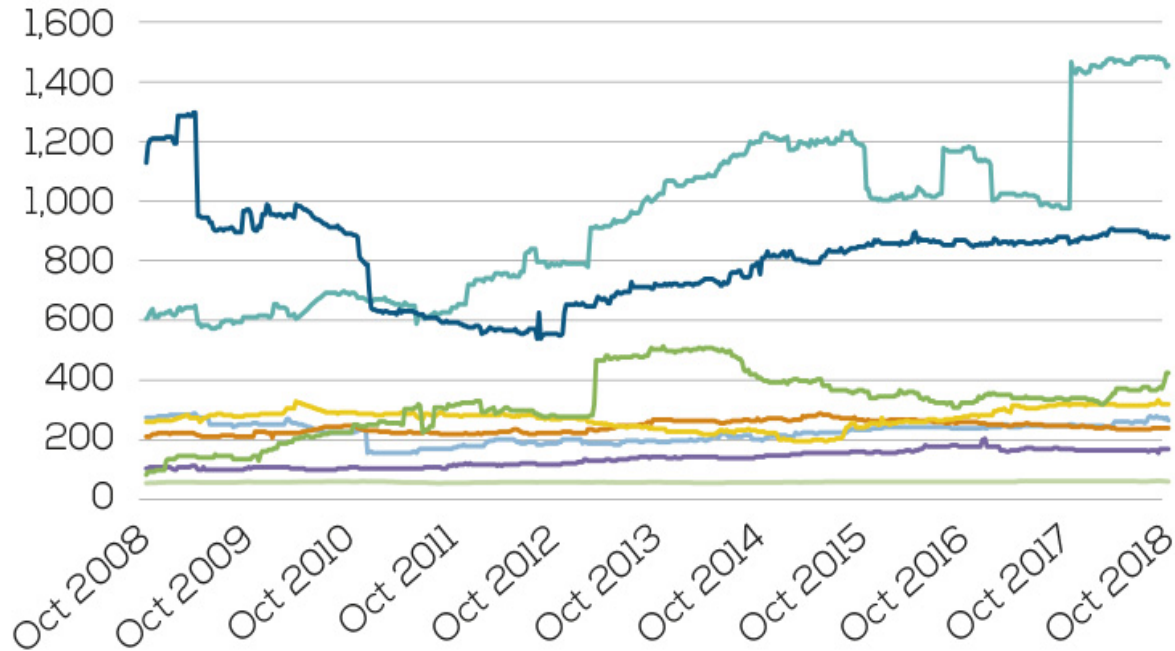
Oil Price & GCC Projects



■ GCC project contract awards (\$bn) - - - Ave oil price (\$/barrel)

- 2017 worst year for contract awards since 2012.
- Profit margins eroded due to low prices. Payment delays causing liquidity issues.
- Outlook changing due to improved oil prices.
- Investment in Construction, Infrastructure Projects, Oil & Gas sectors back.

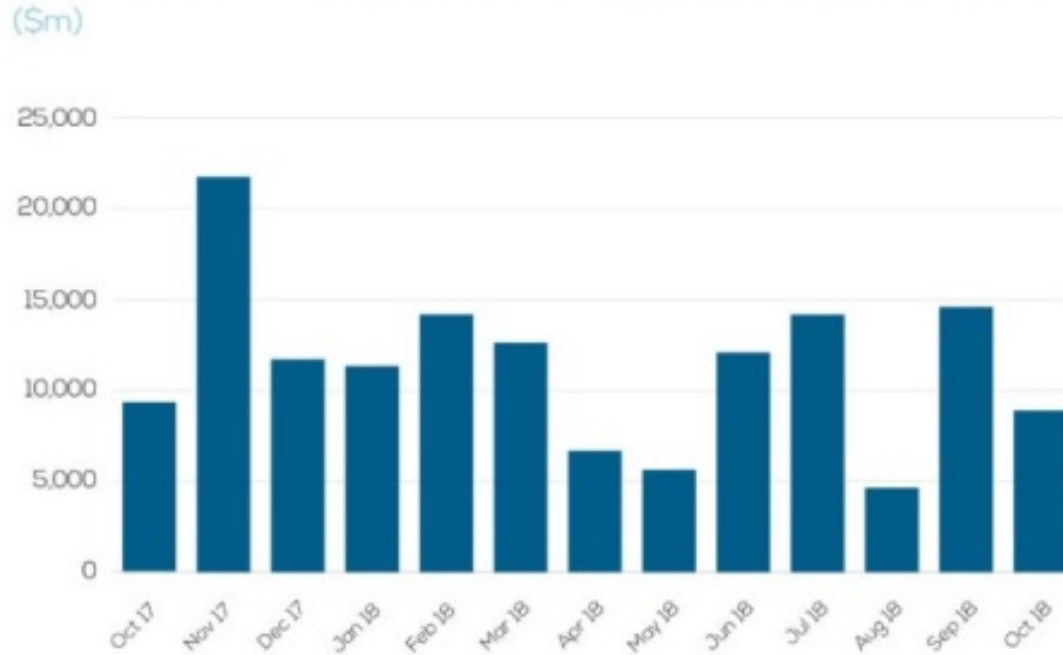
Gulf Projects Index



- KSA, UAE & Iraq leading the project market. Index flat currently.
- Higher oil prices to ramp up spending drive.
- Biggest projects are in Construction, O&G and Transportation.



Contract Awards



*=Countries covered include GCC states, Iran, Iraq, Jordan, Lebanon, Syria, Yemen and Egypt.

- Projection for the rest of 2018 unclear for GCC.
- UAE, KSA & Bahrain to perform as projected. However Kuwait, Oman & Qatar are doubtful
- GCC likely to close the year with \$100bn in project awards.

Tourism Projects

Project	Project owner	Country	Estimated value (\$m)
The Qiddiya Project (Entertainment City)	Qiddiya	Saudi Arabia	4,000
Yas Island: SeaWorld Abu Dhabi	Miral	UAE	1,550
Amaala (Riviera of the Middle East)	Public Investment Fund	Saudi Arabia	800
Ghantoot Waterfront	Manazel	UAE	762
The World: Heart of Europe: The Floating Venice	Kleindienst Group	UAE	680
Salam Beach Resort & Spa	Dubai Properties/Bahrain Mumtalakat Holding Company	Bahrain	545
Knowledge Economic City in Medina: visitors complex	MKEC	Saudi Arabia	533
King Salman International Park	ADA	Saudi Arabia	500
Masfout Heights Resort Project	Aqaar Corporation/Lootah Real Estate	UAE	500
Palm Jumeirah: Kingdom of Sheba: phase 2	IFA	UAE	500

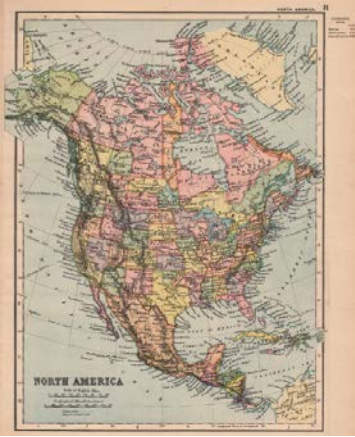
- Investment boom in Tourism and entertainment industry.
- Changes in legislation helping investments.
- More than 200 projects worth \$32bn.

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Trade Actions

Trade Actions

Trade Actions in Americas



USA – Section 232 (25% on all countries except S.Korea, Brazil, Argentina and Australia) Turkey @50%. AD on India & China.

Canada – Safeguard Enquiry into some Steel imports.

Mexico – AD on China, S.Korea, India, Spain, Russia etc.

Brazil – Safeguard on Steel imports from India, Indonesia, Malaysia, Morocco, Philippines, S.Africa, Thailand & Vietnam

Argentina - AD on China

Peru – AD on China



Trade Actions in Eurasia



EU – Provisional safeguard measures. AD on Russia.

Turkey – Quota on Steel imports.

Thailand – AD on China, India, Russia, Ukraine & 10 others

Malaysia – AD on China, Indonesia, S.Korea and Thailand

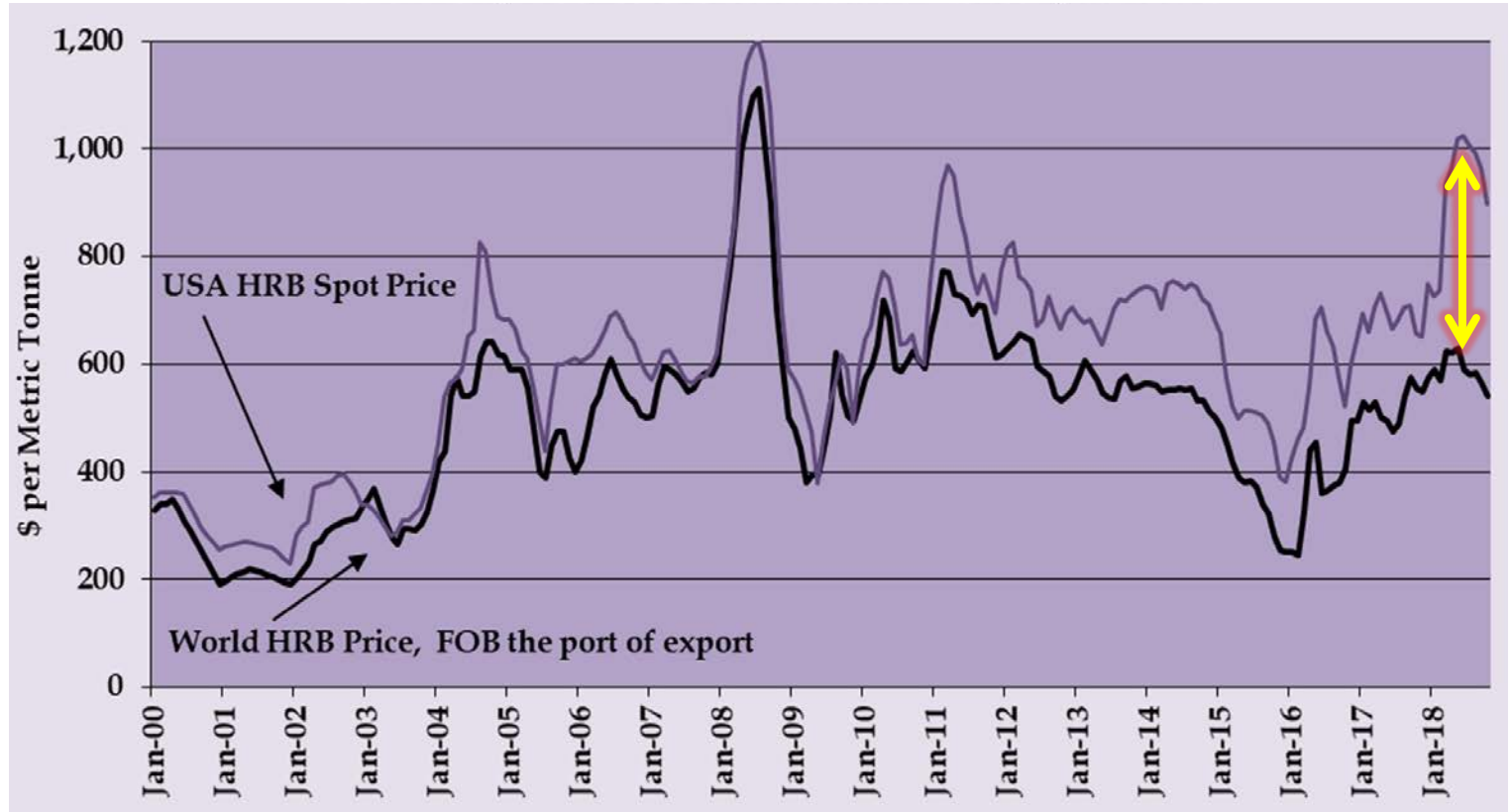
Vietnam – AD on China, Malaysia, Indonesia and Taiwan

Indonesia – AD on China, South Korea, Vietnam & Taiwan

India – AD on China, S. Korea, Malaysia, Japan



US Safeguard measures

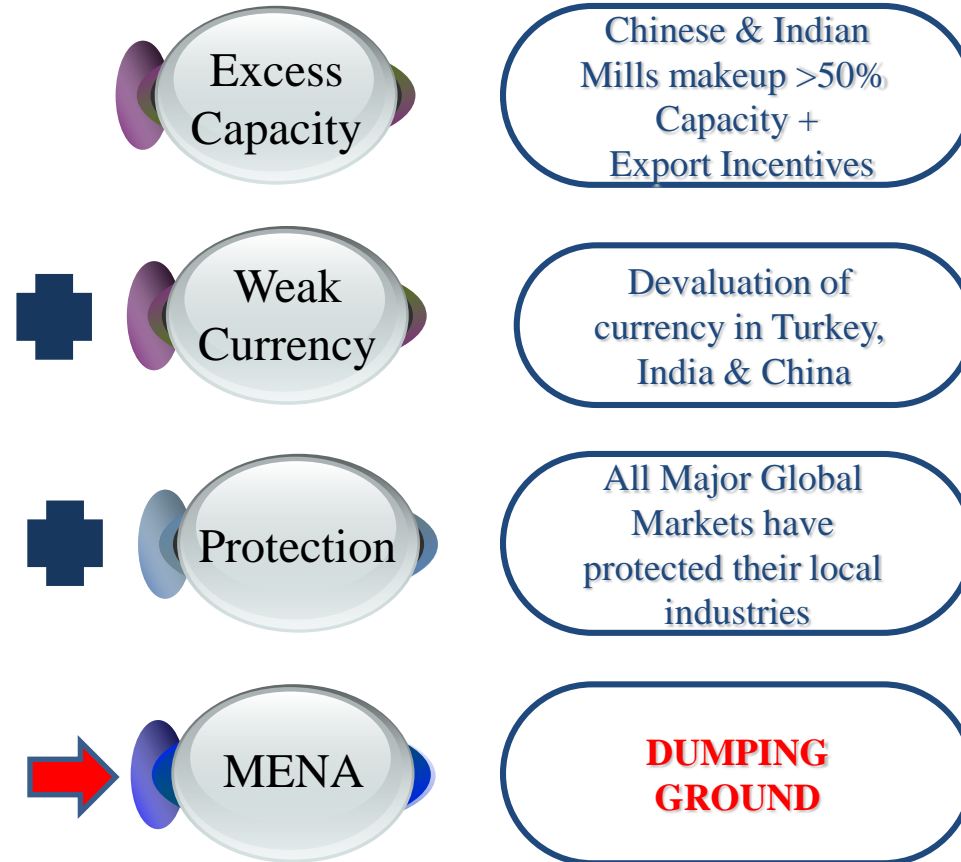


Source : Steel Insights

Spread of US prices to ROW almost \$360



Impact on ME Business





What's next for ME

What's next for WE



Liquidity Ease in Local Markets

+

Political Peace (Syria, Yemen, Qatar, Iraq)

+

Sanctions in Iran, Libya & Sudan Lifted

+

Fair Competition (Local & International)

=



Al Ghurair Iron & Steel LLC



Profile

- Joint venture of Al Ghurair Group, UAE and NSSMC, Japan
- One of the biggest Cold Rolling & Galvanizing Complexes in MENA for Flat Steel.
- Well established brand of GI with International Quality Certifications.



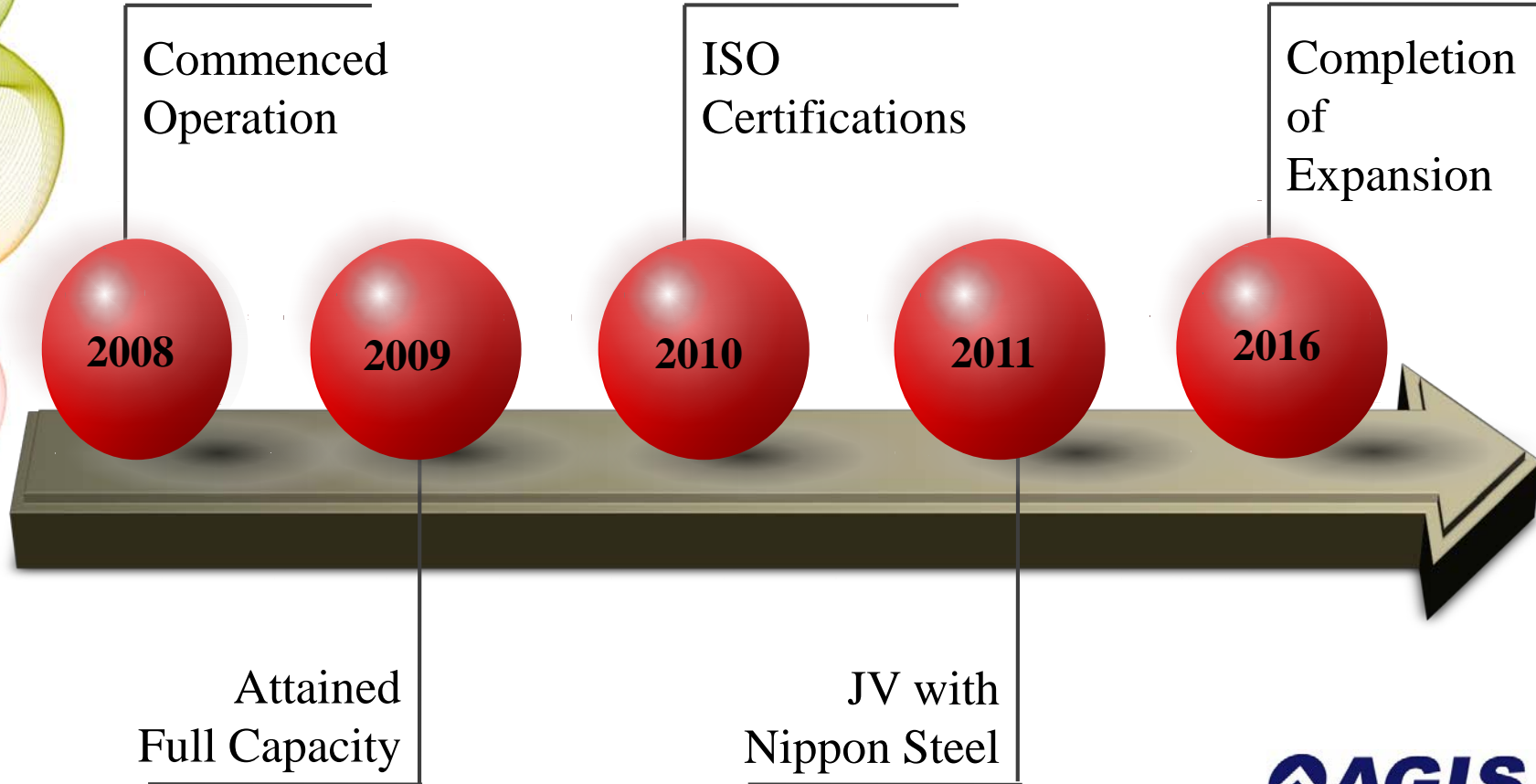
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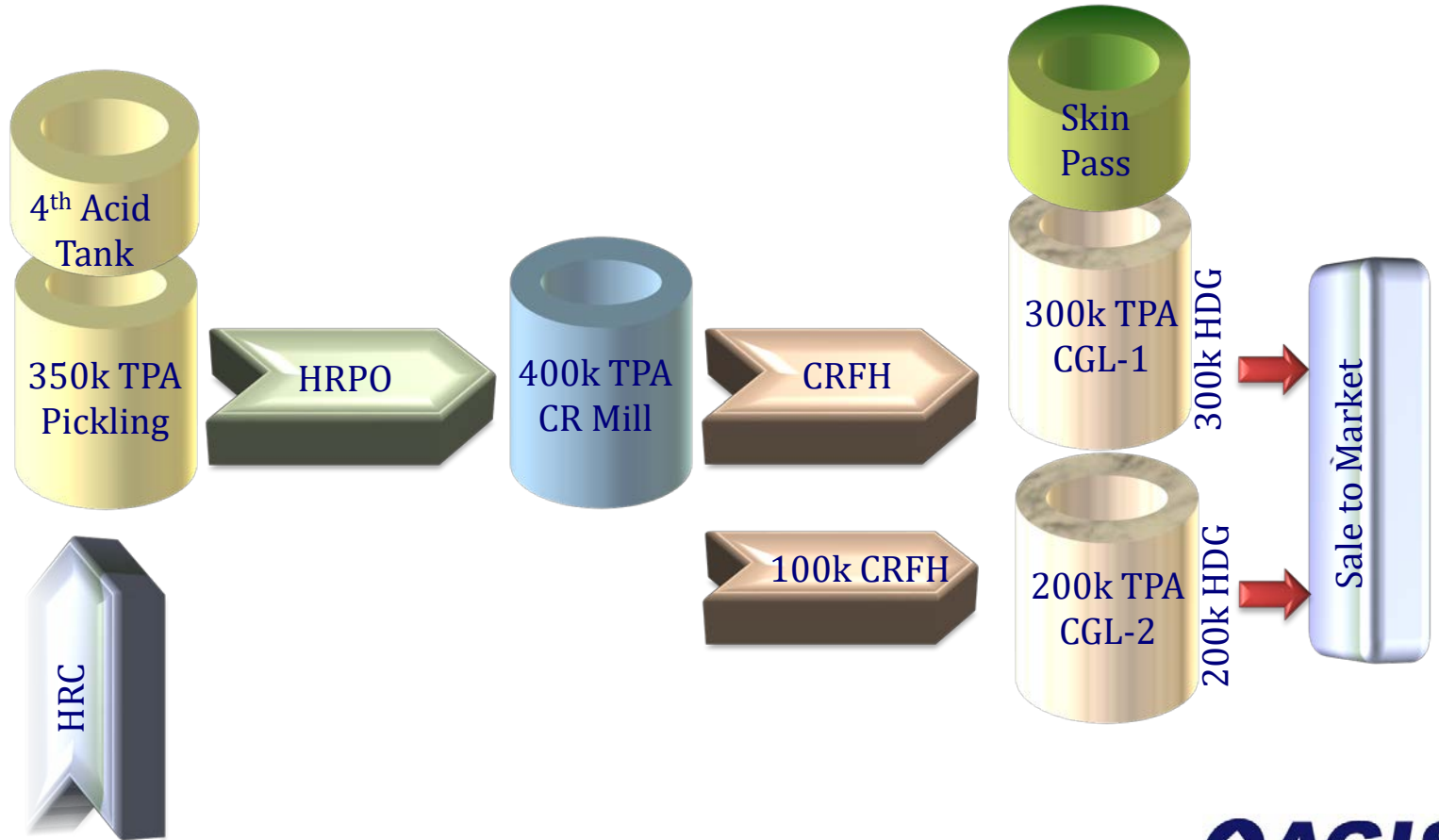
علامة الجودة الإماراتية
Emirates Quality Mark



Timeline



Production Lines





Thank You

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