



Steel Market Outlook in the Arab Region

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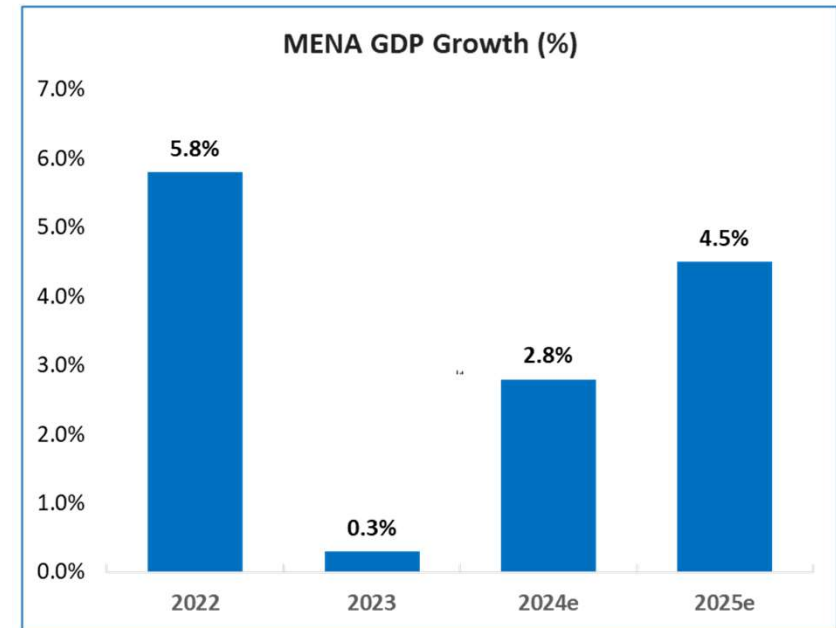
Doha - Qatar

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Economic Overview of the Arab Region

MENA Growth Slows Amid Regional Conflicts, Oil Cuts, and High Debt

- Economic growth in the Middle East surged to 5.8% in 2022 but dropped to 0.3% in 2023, driven by oil production cuts, disruptions in shipping, and ongoing conflicts in Gaza.
- Growth is projected to recover to 2.8% in 2024 and 4.5% by 2025 as these pressures ease. However, the potential lasting economic effects of armed conflict are an additional challenge for the region. That conflict not only causes lasting human and social costs but can also lead to large and persistent output losses.



Source: World Bank

- Over the medium term, growth is expected to remain relatively stable among oil importers, supported by strong domestic demand, while plateauing hydrocarbon production is projected to weigh on growth in oil exporters.

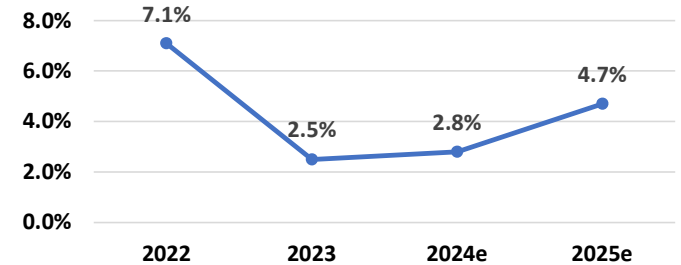
Economic Overview

- The Gulf economies slowed from 7.1% growth in 2022 to 2.5% in 2023, mainly due to reduced oil production, impacting government revenues and economic activity.
- The Gulf economies are expected to recover to 2.8% in 2024 and grow to 4.7% in 2025, driven by higher oil output, infrastructure projects, and diversification into technology, tourism and manufacturing.

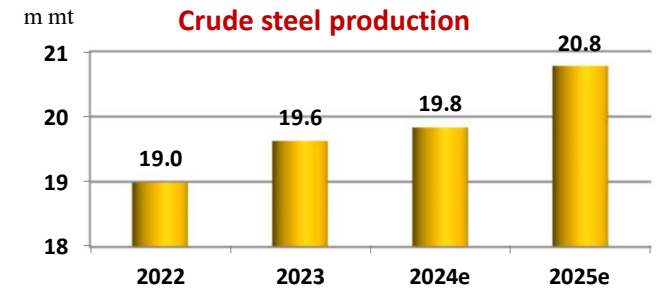
Steel Overview

- The increase in crude steel production from 19.6 to 19.8 million tons in 2024 is driven by economic growth, and continued infrastructure projects, particularly in Saudi Arabia and the UAE.
- Finished steel consumption is expected to grow by 4%, rising from 18.8 to 19.7 million tons in 2024, fueled by robust construction activity and government investments in large-scale development projects. The value of projects under execution in KSA & UAE amount to \$300 bn.

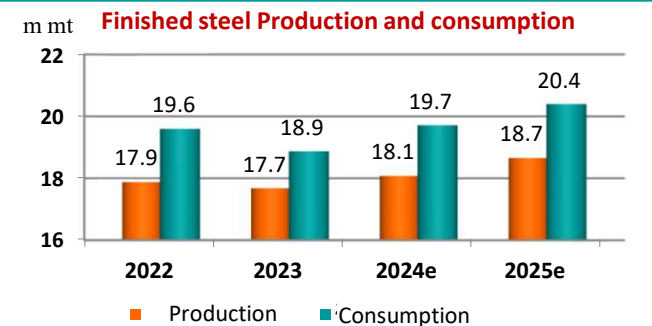
(%) Economic growth



Crude steel production



Finished steel Production and consumption



Key Projects In GCC

Top Projects under Execution & Upcoming in **KSA**

Project Name	Budget	Completion
CARE - Nuclear Power Reactor	\$80bn	2027
King Salman International Airport in Riyadh	\$30bn	2030
The North Pole	\$30bn	2030
New Military City (P-563 Programme)	\$12bn	2030
Dahiyat Al-Fursan: Banan City	\$10.7bn	2028
NEOM City: Community Villages: Wave 2	\$8bn	2027
Neutral Zone Mixed-Use Development	\$8bn	2028
Riyadh Expo 2030	\$7.8bn	2029
NEOM City: Green Fuels: Renewable Energy Project	\$6.1bn	2026
Riyadh Metro: Line 3	\$6bn	2028
NEOM City: Trojena Valley Cluster: Dams	\$4.7bn	2026
King Hamad Causeway	\$4bn	2027
Alshuqaiq to Jizan Water Transmission System	\$2.9bn	2027
Al Khafji Development: Coastal Community	\$2.5bn	2025
King Saud Air Base	\$2.6bn	2027
Al Khafji Development: Heartland Community	\$2.5bn	2025
Jeddah Economic City: Jeddah Tower	\$2.4bn	2028
	\$220.2bn	

Key Projects In GCC

Top Projects under Execution & Upcoming in UAE

Project Name	Budget	Completion
Dubai Strategic Sewerage Tunnel	\$22bn	2030
The Heights Country Club & Wellness Centre	\$15bn	2030
Grand Club Resort	\$11bn	2030
Tasreef Rainwater Drainage Project	\$8.1bn	2033
Kizad: Phase 2 of-logistics-park	\$7.8bn	2030
Abu Dhabi Metro	\$7bn	2028
Dubai Creek Harbour: Dubai Square	\$5.5bn	2027
Dubai Metro: Blue Line	\$4.9bn	2028
MBR City: Hartland Sanctuary	\$4bn	2028
Al Maktoum International Airport Expansion	\$3.5bn	2028
Ramhan Island Development	\$3.5bn	2027
Battery Cell Giga Factory	\$3.2bn	2027
The West Baniyas residential project	\$1.7bn	2027
1500MW Khazna Solar IPP	\$1.1bn	2027
	\$98.3bn	

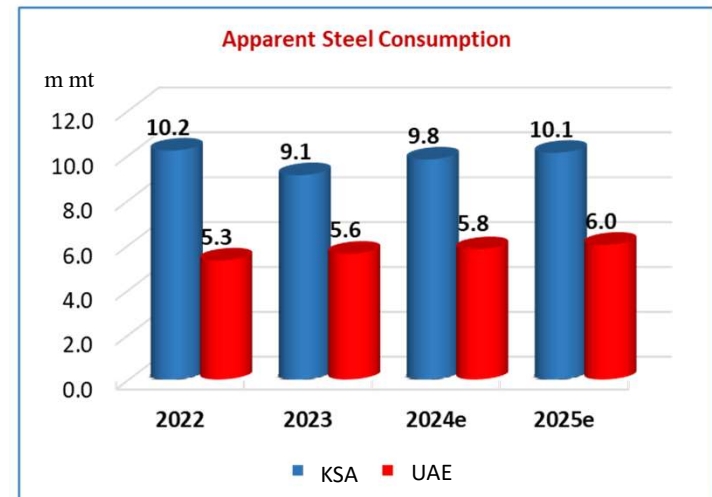
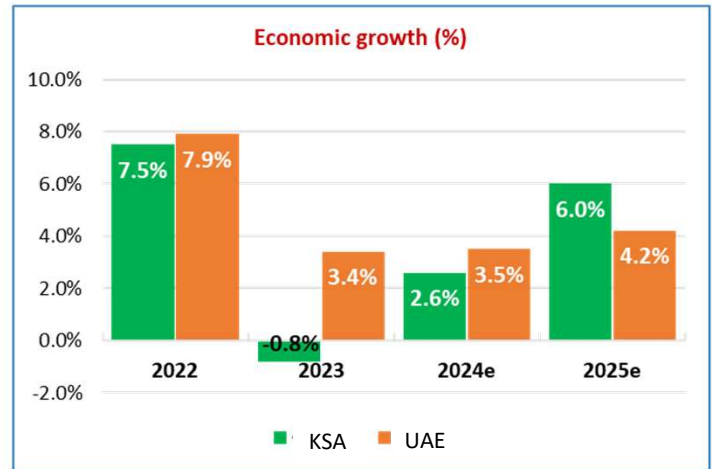
GCC (Cont'd)

Saudi Arabia

- The Saudi economy aims to diversify income sources and reduce oil dependence, with growth expected to rise from -0.8% in 2023 to 2.8% in 2024, reaching 6.0% by 2025.
- Steel consumption in Saudi Arabia is expected to rise from 9.1 million tons in 2023 to 9.8 million tons in 2024, driven by major projects like NEOM and the Red Sea development.

UAE

- The UAE's non-oil GDP is projected to remain robust in 2024-2025, driven by sectors like tourism and finance.
- Steel consumption in the UAE is expected to grow by 4% in 2024, supported by a 3.3% increase in construction activity with project worth \$100 bn under construction.



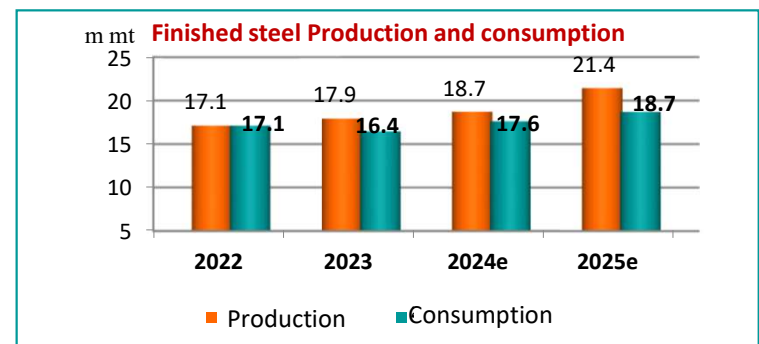
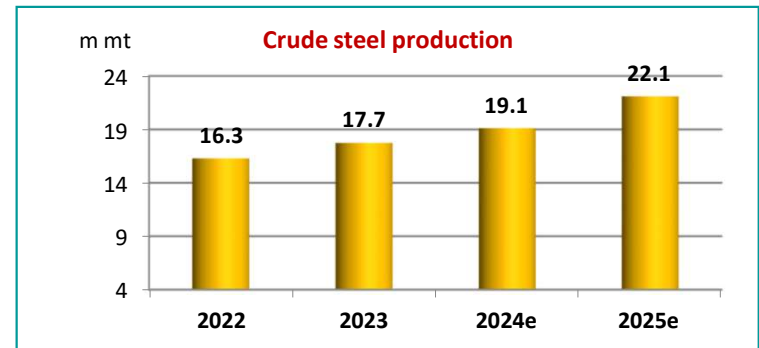
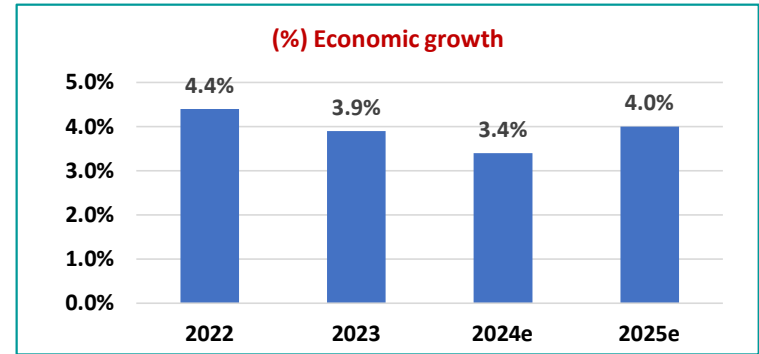
North Africa

Economic Overview

- North Africa's economic growth is projected to decline from 3.9% in 2023 to 3.4% in 2024, largely influenced by downturns in Egypt and Algeria. Ongoing conflicts, High Inflation, and trade disruptions are contributing to the region's economic strain.

Steel Overview

- Despite economic challenges in North Africa, Egypt and Algeria are driving the region's growth, and steel consumption is forecasted to grow by 7% to 17.6 million tons, from 16.4 million tons in 2023 supported by continued infrastructure development and public investments."
- In 2023, Egypt's steel consumption dropped by 16% due to inflationary pressures and currency challenges, but it's expected to rebound by 5% in 2024, reaching 9.2 million tons, while Algeria anticipates a 7% rise to 4.1 million tons.



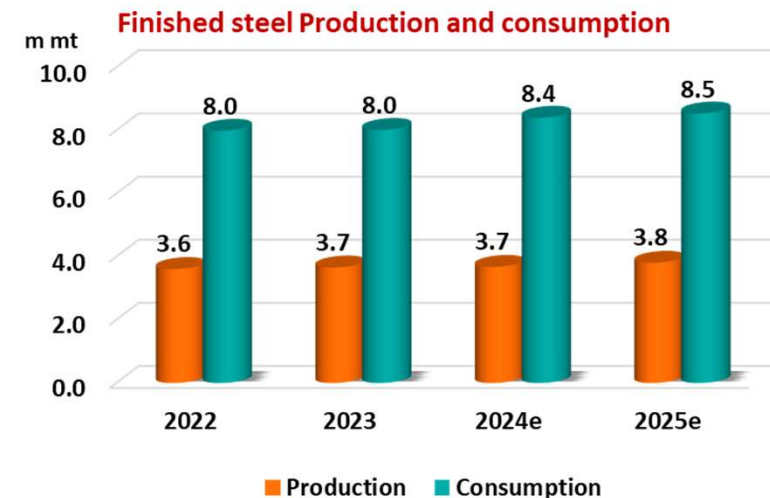
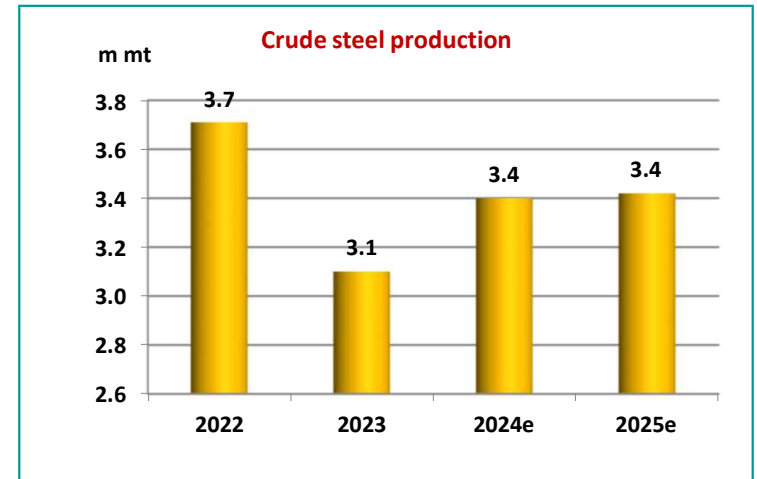
East. Mediterranean

Economic Overview

- The Eastern Mediterranean region, including Iraq, Syria, Lebanon, Jordan, and Yemen, is heavily impacted by the Gaza conflict and regional instability. While Iraq and Jordan lead with modest economic growth,
- Syria, Lebanon, and Yemen remain severely hindered by ongoing wars and political challenges.

Steel Overview

- After remaining stable in 2023, steel consumption in the Eastern Mediterranean is projected to grow by 5% in 2024, reaching 8.4 million tons, led by Iraq and Jordan, which together account for 80% of the region's steel consumption.



Product Balance in Arab Countries

000 MT		2023	2024 e	2025 e
Total Longs	Production	34,706	35,481	37,275
	Imports	7,203	7,569	7,613
	Exports	6,430	5,427	5,820
	Market Consumption	35,479	37,623	39,068
	y/y Change	-3%	6%	4%
HRC	Production	4,555	4,992	6,615
	Imports	5,372	5,390	5,009
	Exports	2,087	2,274	3,067
	Market Consumption	7,840	8,108	8,557
	y/y Change	-5%	3%	6%
Total Finished	Production	39,261	40,473	43,890
	Imports	12,575	12,959	12,622
	Exports	8,517	7,701	8,887
	Market Consumption	43,319	45,731	47,625
	y/y Change	-3%	6%	4%

Conclusion

- MENA economic growth is projected to recover, despite challenges from regional conflicts, high Inflation, and the Red Sea crisis.
- GCC economies are expected to rebound to 2.8% growth in 2024, driven by increased oil output and diversification efforts.
- Significant infrastructure projects in Egypt, Saudi Arabia, the UAE, and Algeria are fueling steel demand.
- The Arab region remains a net importer of steel with 5 millions ton net imports.
- **Challenges Ahead:** The steel industry in the Arab region faces ongoing challenges from raw material price volatility, and low export prices from China, global trade barriers and a lack of protectionism, impacting its competitiveness.

Thank You