

# 3<sup>rd</sup> Iran Steel Export Perspectives Conference

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## Iran's General Program to Export Steel in 2016



انجمن تولیدکنندگان و صادرکنندگان سنگ آهن ایران  
IRON ORE PRODUCERS & EXPORTERS ASSOCIATION OF IRAN

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# Iran Iron Ore and Steel Industries

# Steel Value Chain Upstream Capacity

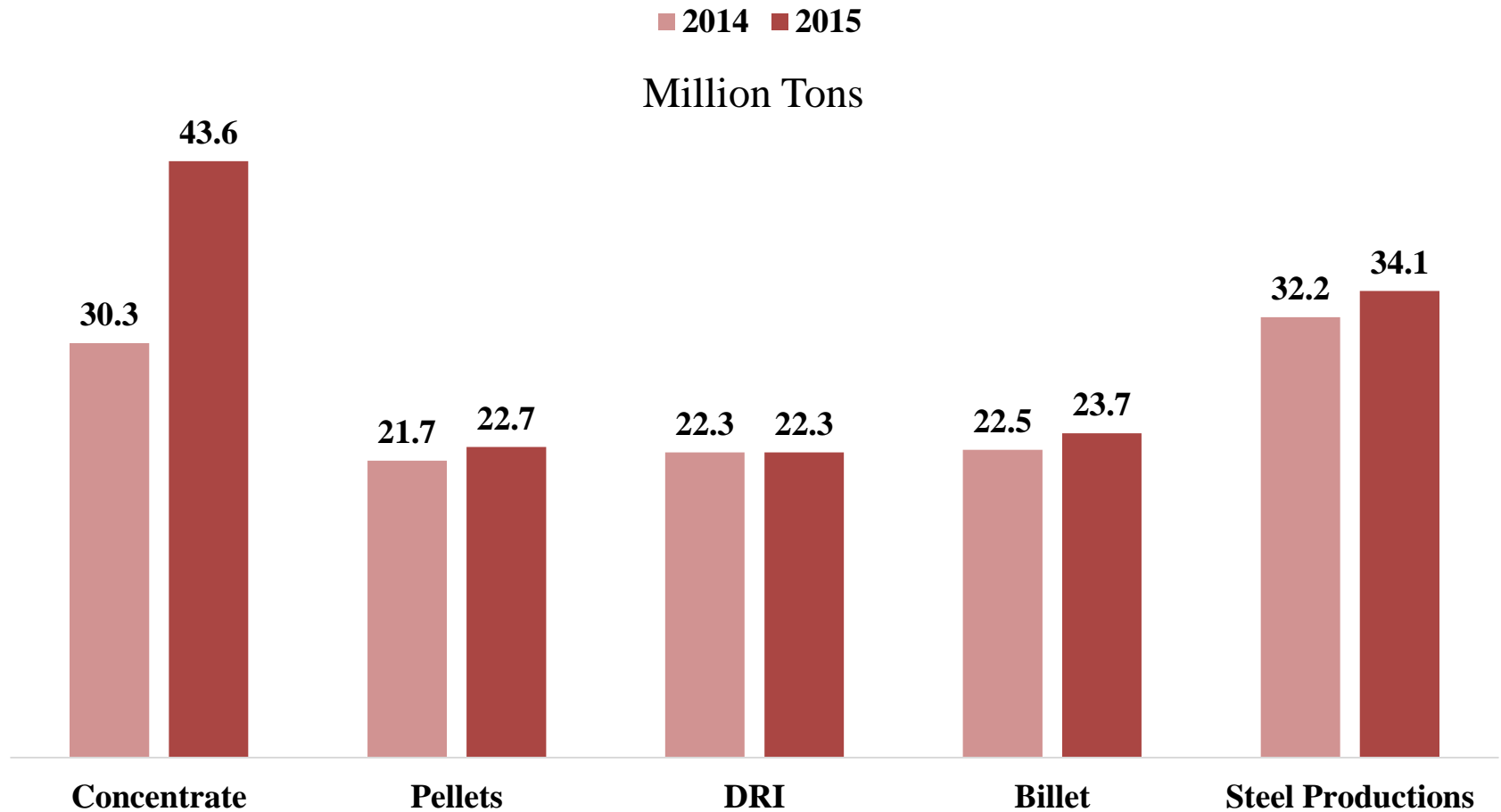


Figure 1: Steel Value Chain Upstream Capacity 2014 - 2015

Source: Iran Steel Comprehensive Plan, Foolad Technic Co.

# Steel Value Chain Upstream Production

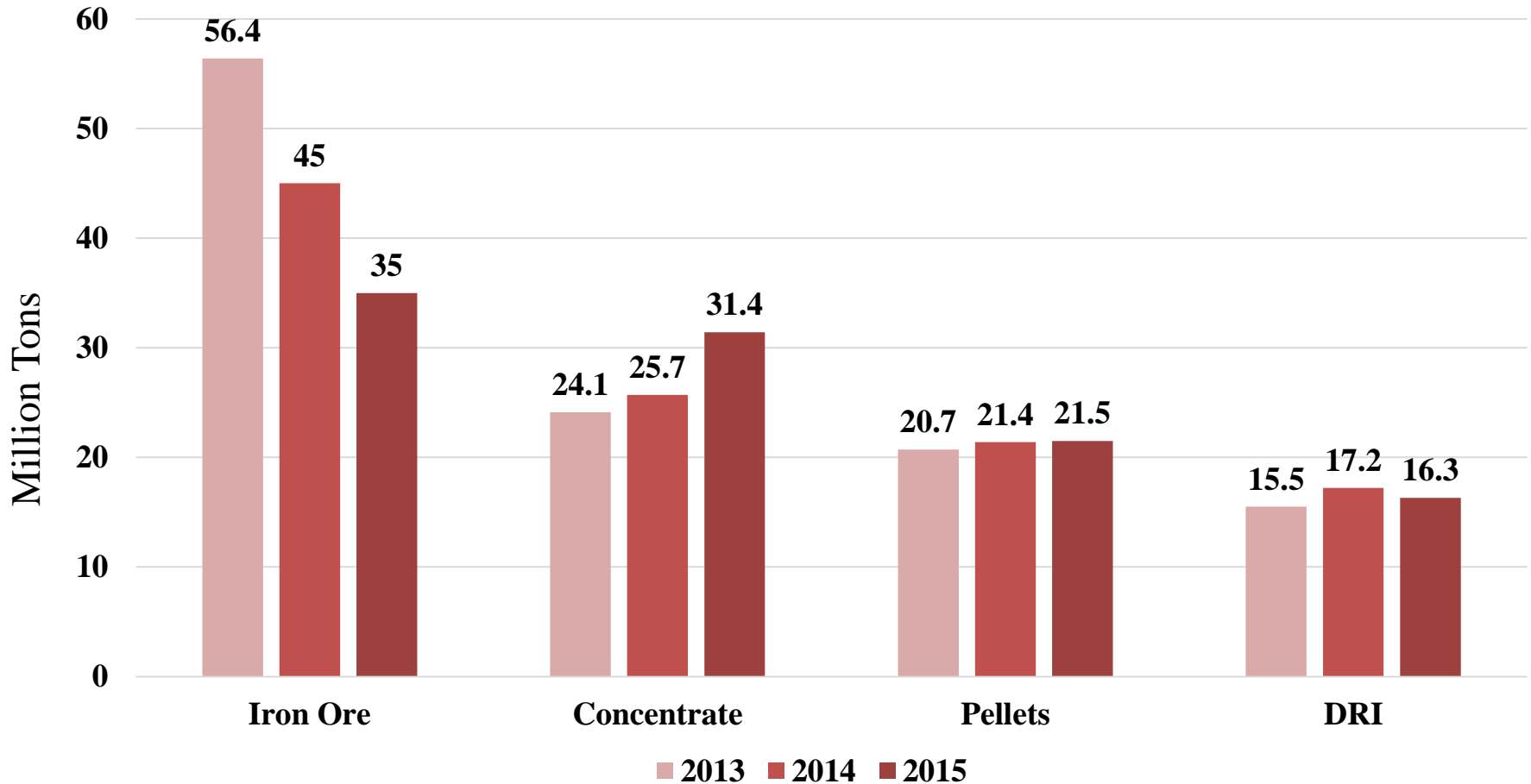


Figure 2: Steel Value Chain Upstream Production 2013 - 2015

Source: Iran Steel Comprehensive Plan, Foolad Technic Co.

# Steel Value Chain Upstream 2016 vs. 2015

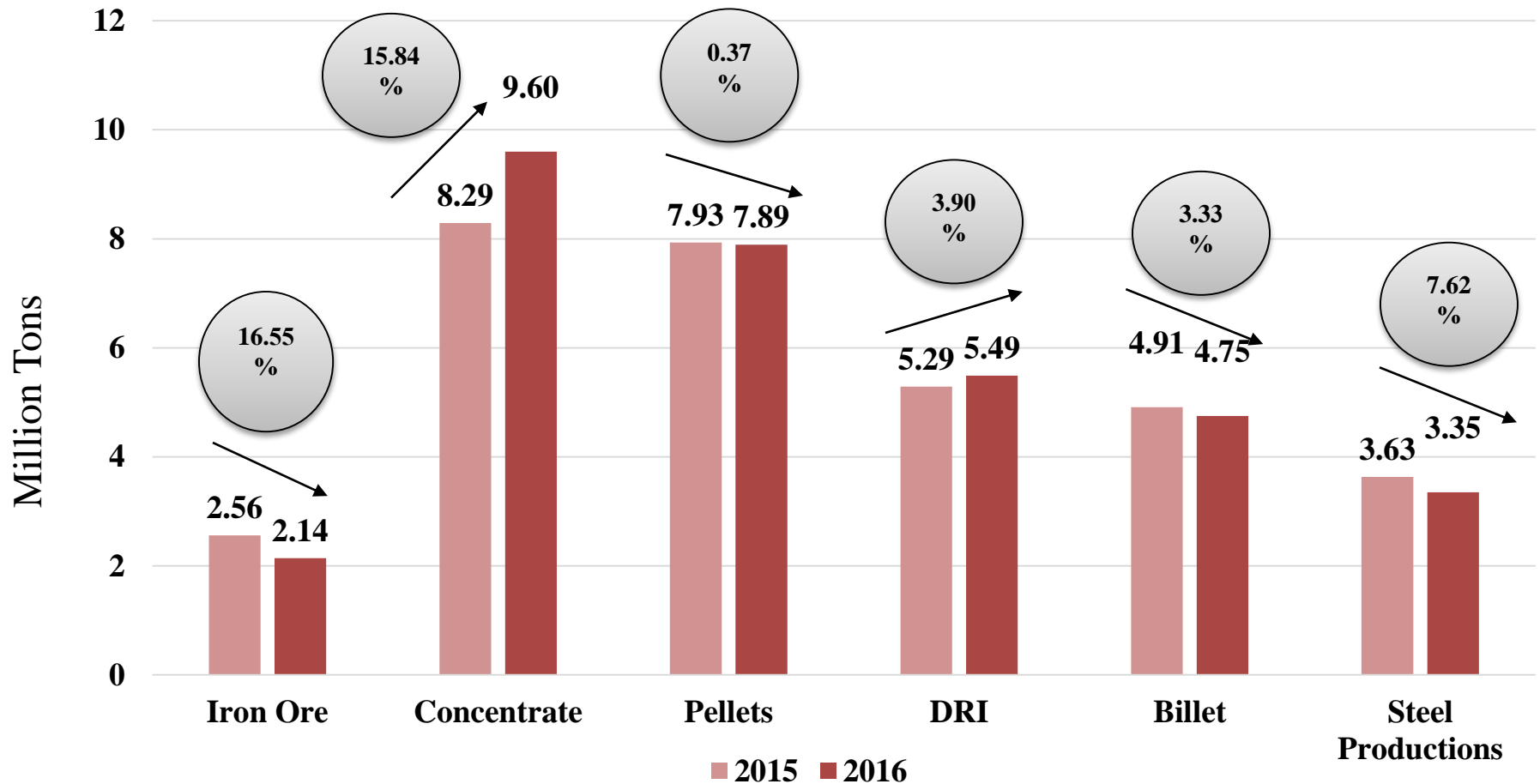


Figure 3: Steel Value Chain Upstream 2016 vs. 2015 (from March to June)

Source: IMIDRO

# Iran Crude Steel Production

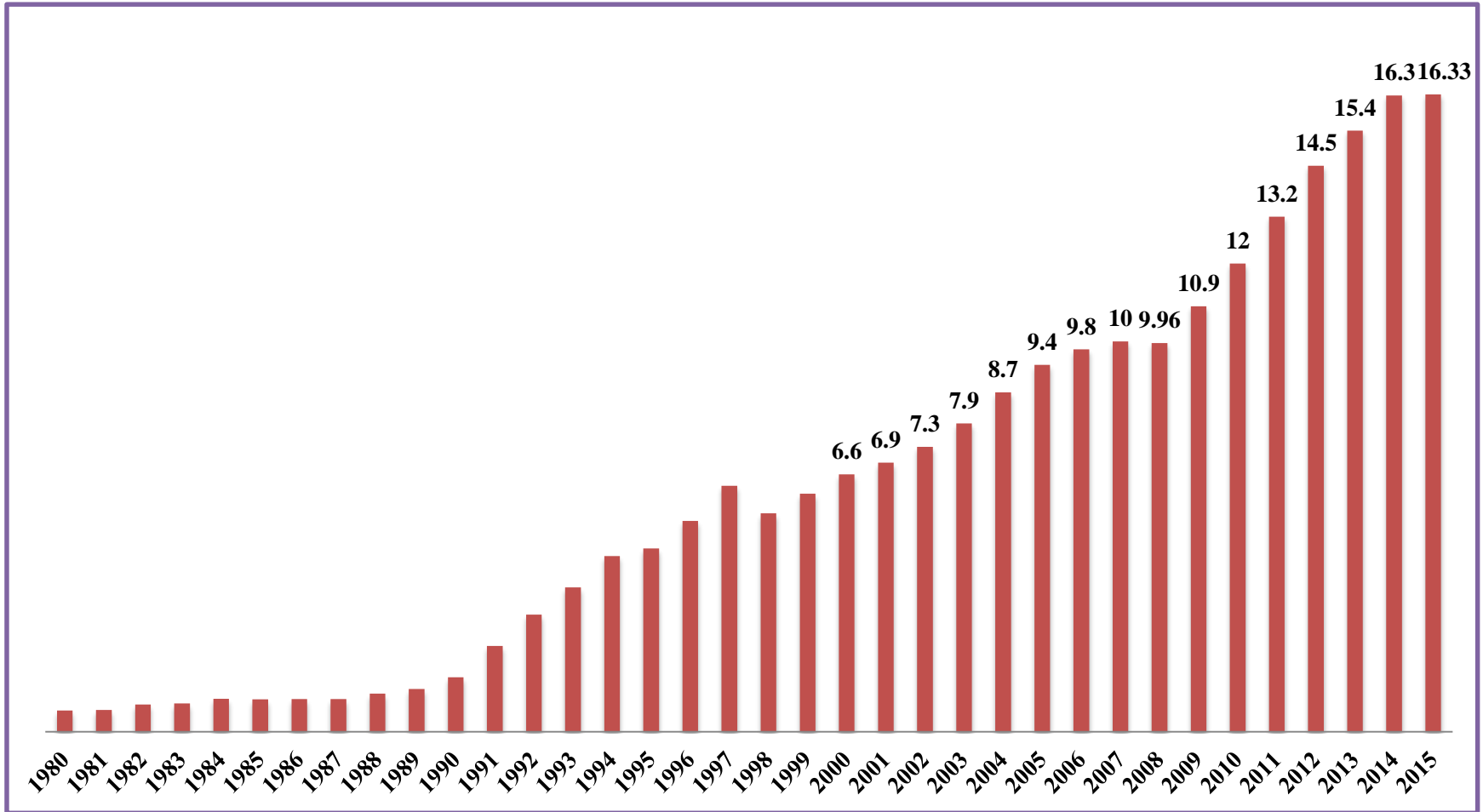


Figure 4: Iran Crude Steel Production 1980 - 2015

Source: World Steel Association

# Steel Export 2016 vs. 2015

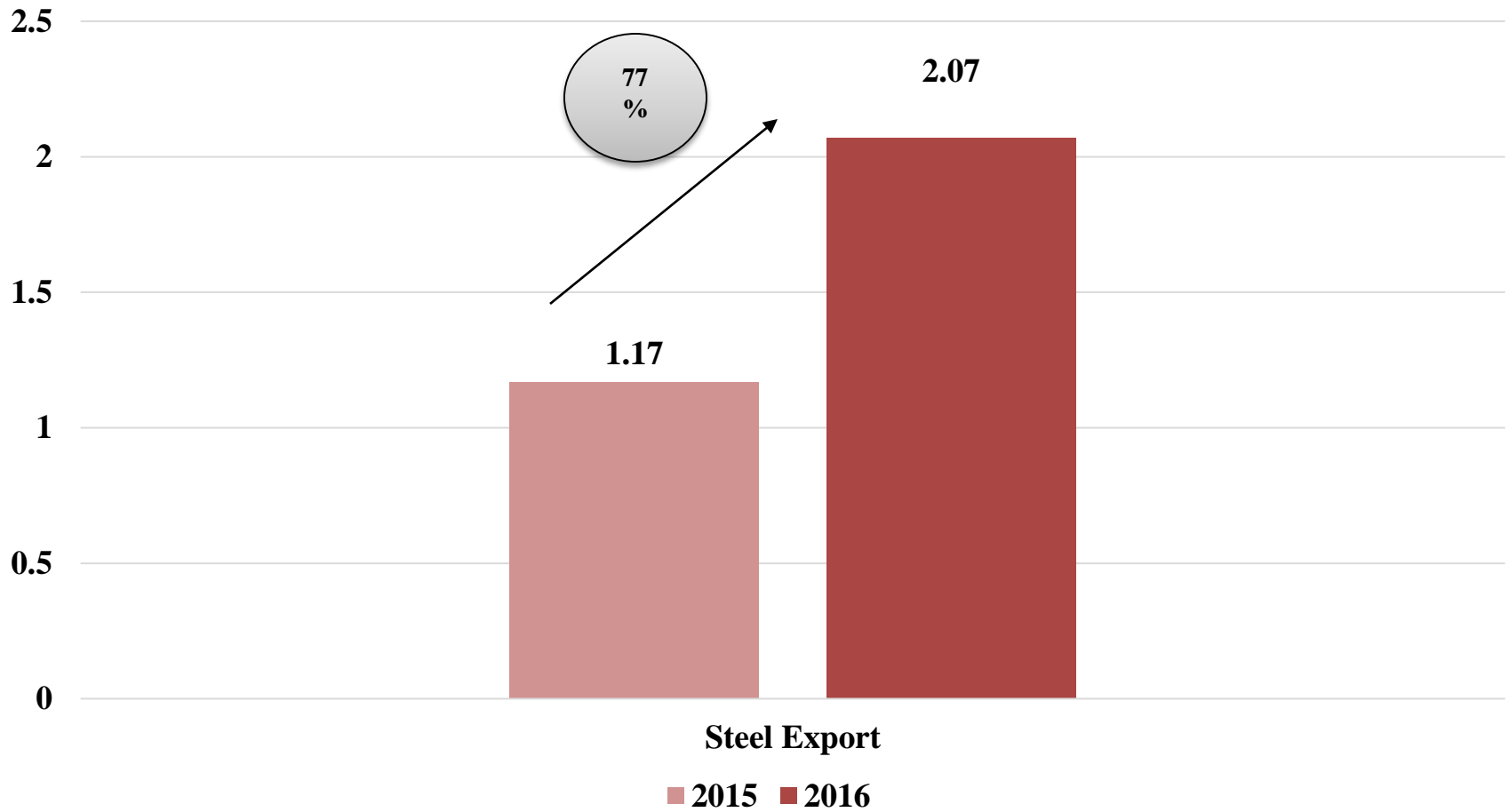


Figure 5: Steel Export 2016 vs. 2015 (from March to June)

Source: IMIDRO



# Iran Steel Export and Import

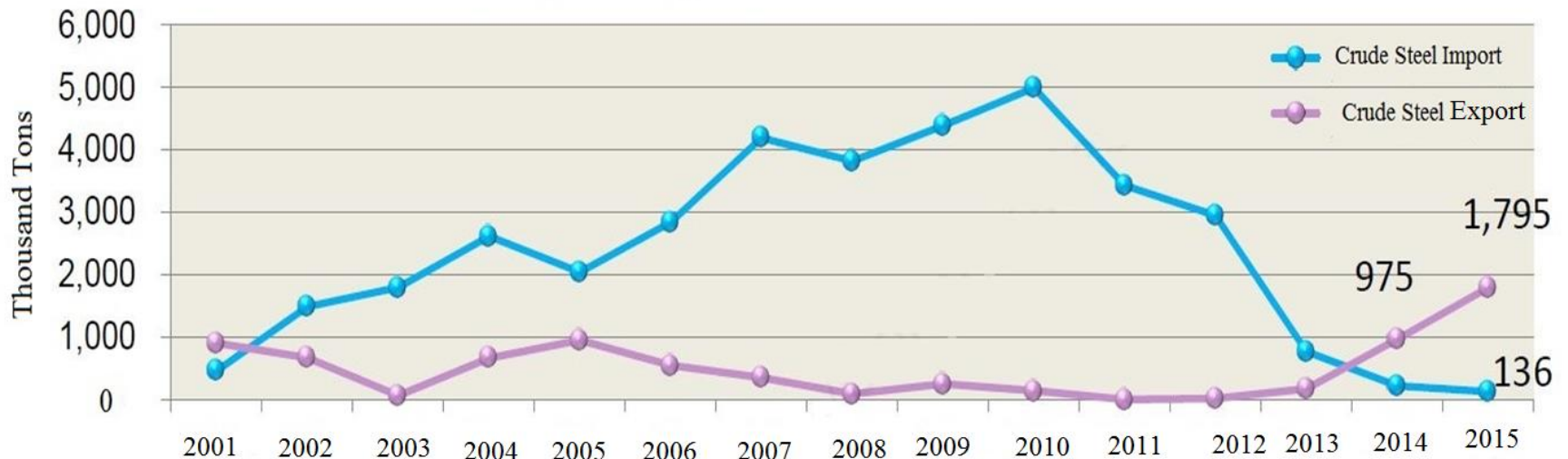


Figure 6: Iran Steel Export and Import 2001 - 2015

Source: Iran Steel Comprehensive Plan, Foolad Technic Co.

# Iran Steel Consumption and Supply

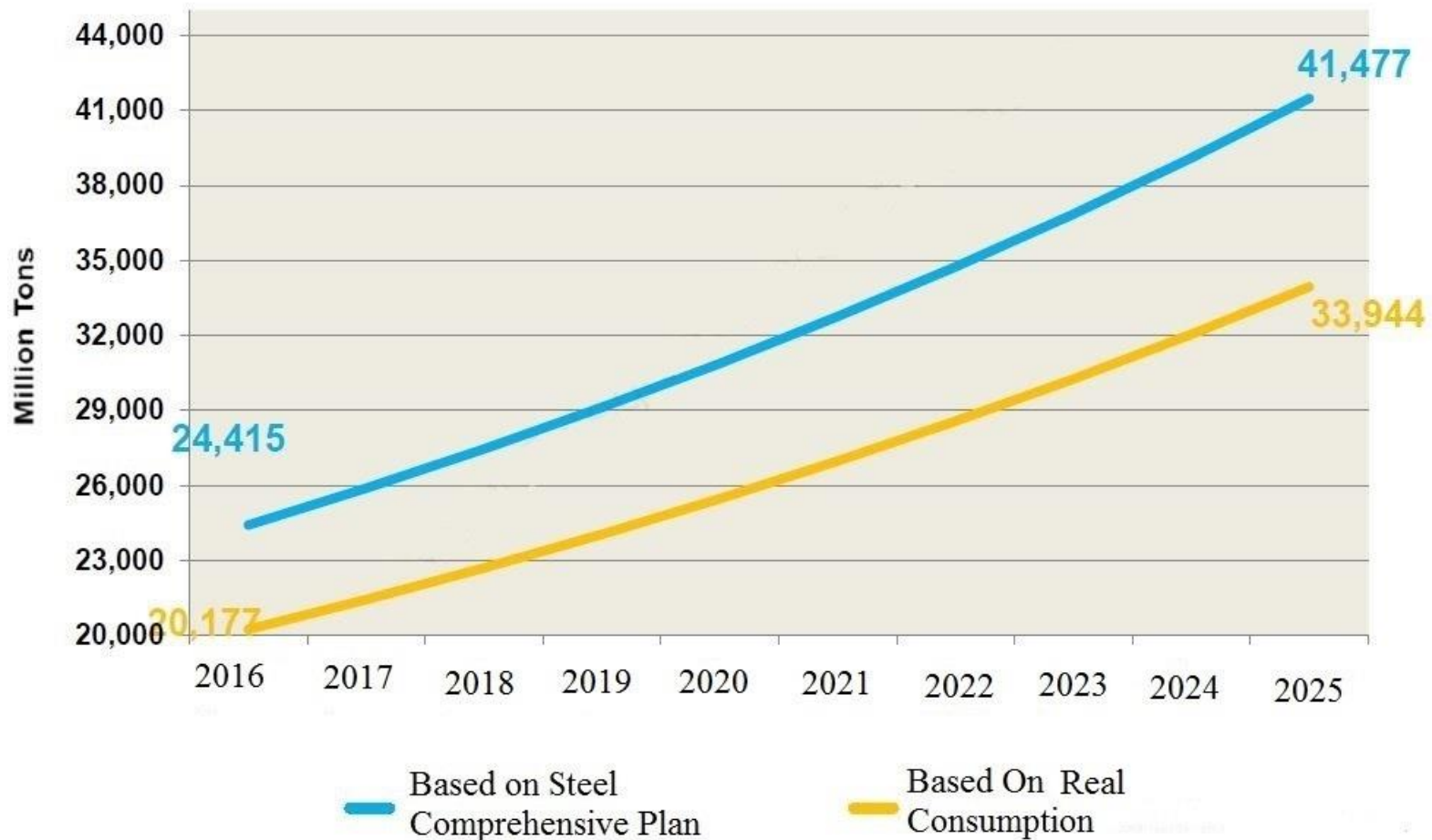


Figure 7: Iran Steel Consumption and Supply Forecast 2016 - 2025

Source: Iran Steel Comprehensive Plan, Foolad Technic Co.



# Global Iron Ore and Steel Industries

# Iron Ore Average Price

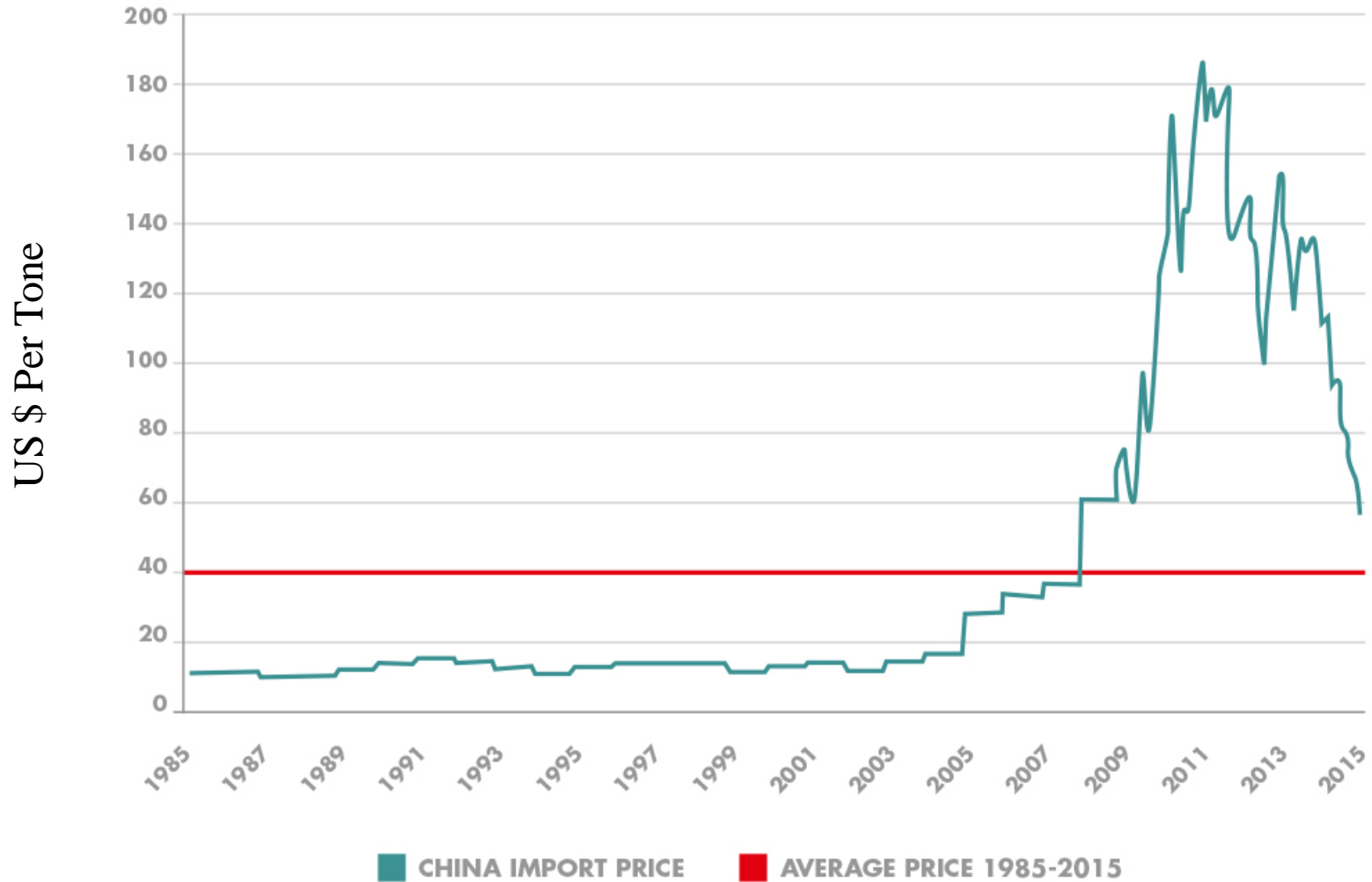
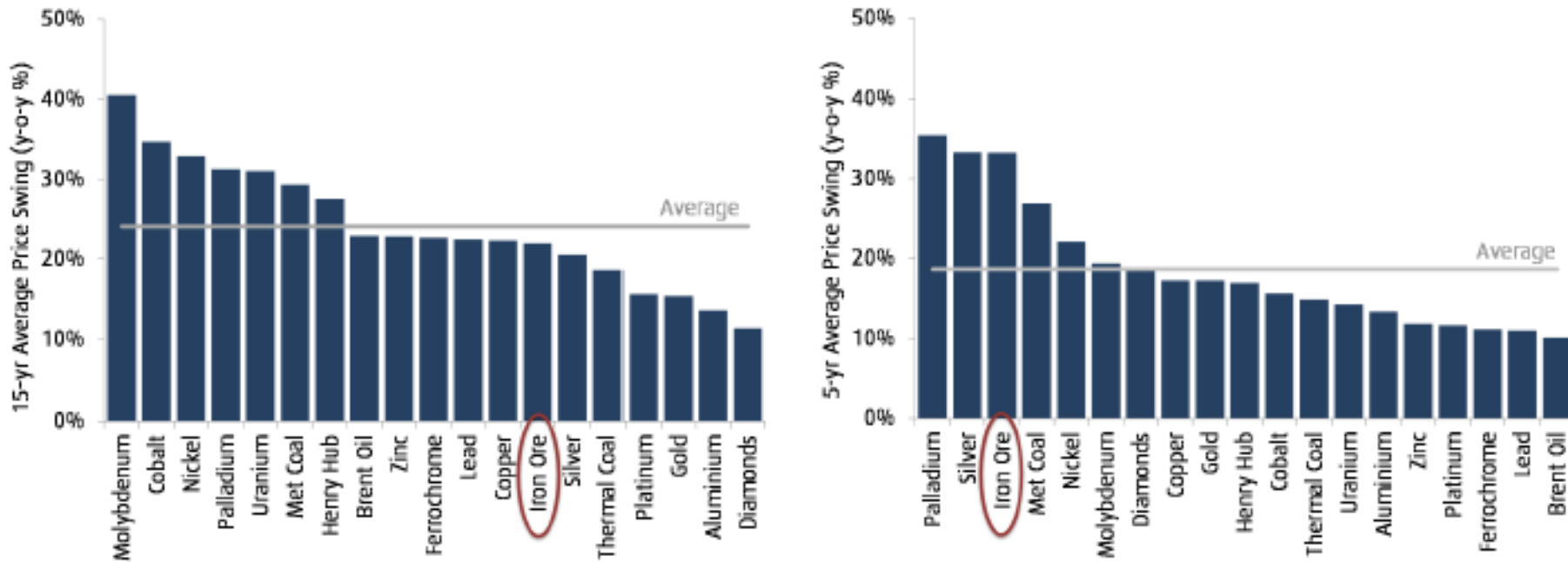


Figure 8: Iron Ore Average Price

Source: [www.ironorefacts.com](http://www.ironorefacts.com)

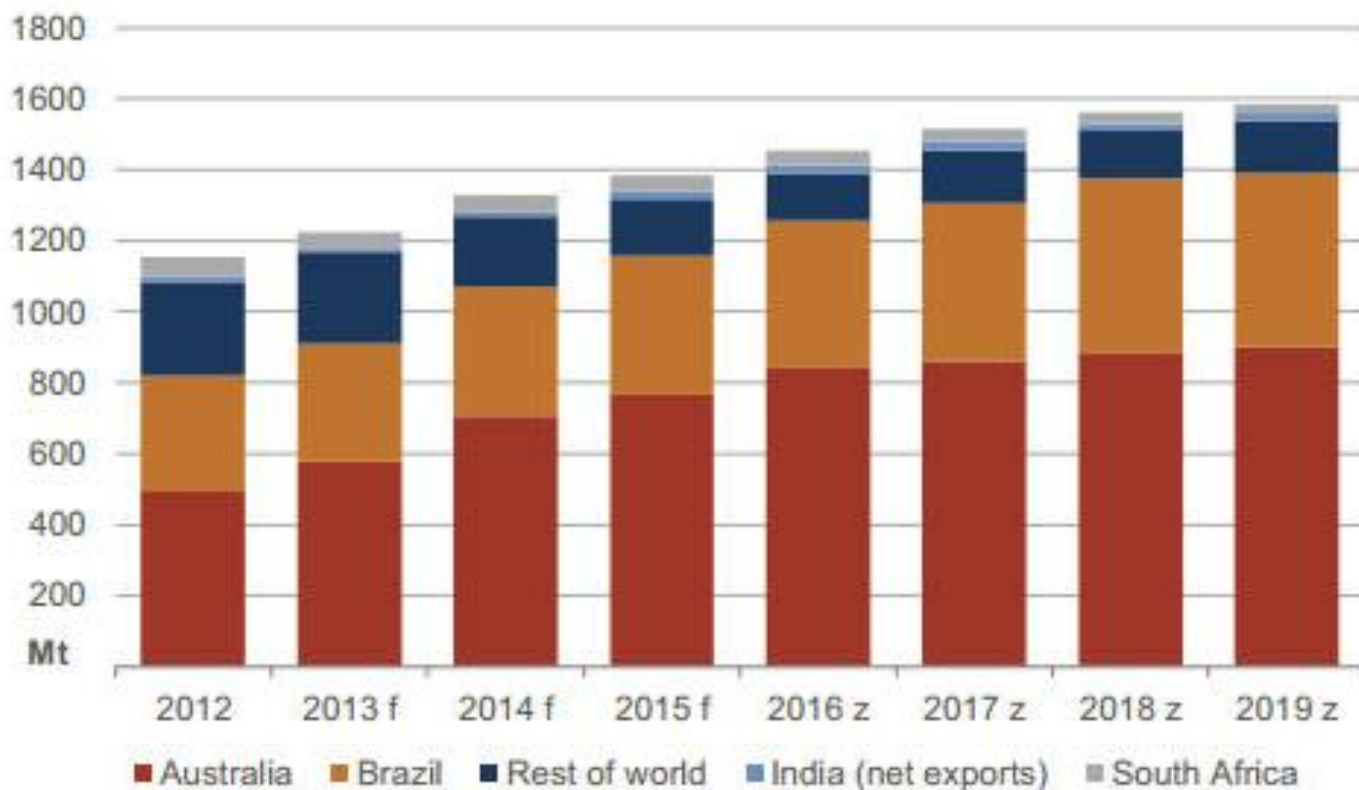
# Iron Ore Price Volatility



Although overall commodities price volatility is on decline, Iron ore price are not only more volatile, but are also one of the most volatile amongst commodities.

Figure 9: Iron Ore Price Volatility  
Source: BMO Financial Group

# Global Iron Ore Production Forecast



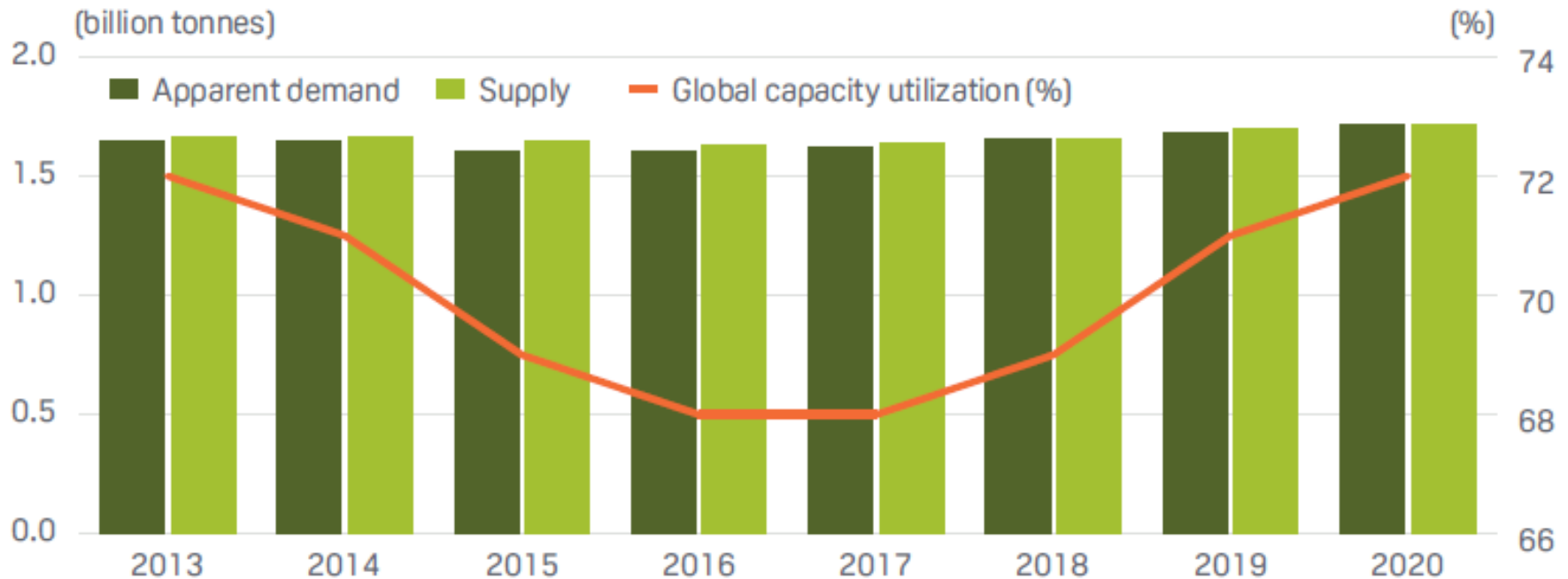
Source: Bureau of Resource and Energy Economics

Figure 10: Global Iron Ore Production Forecast 2012 - 2019

# Key Factors affect on Steel Prices

- 1- World Economic Growth
- 2- Geopolitical Tensions
- 3- Future Evolution of Oil and Raw Materials
- 4- The Impact of Excess Steel-making Capacities
- 5- Unfair Competition of Countries

# Steel Demand and Supply Forecast

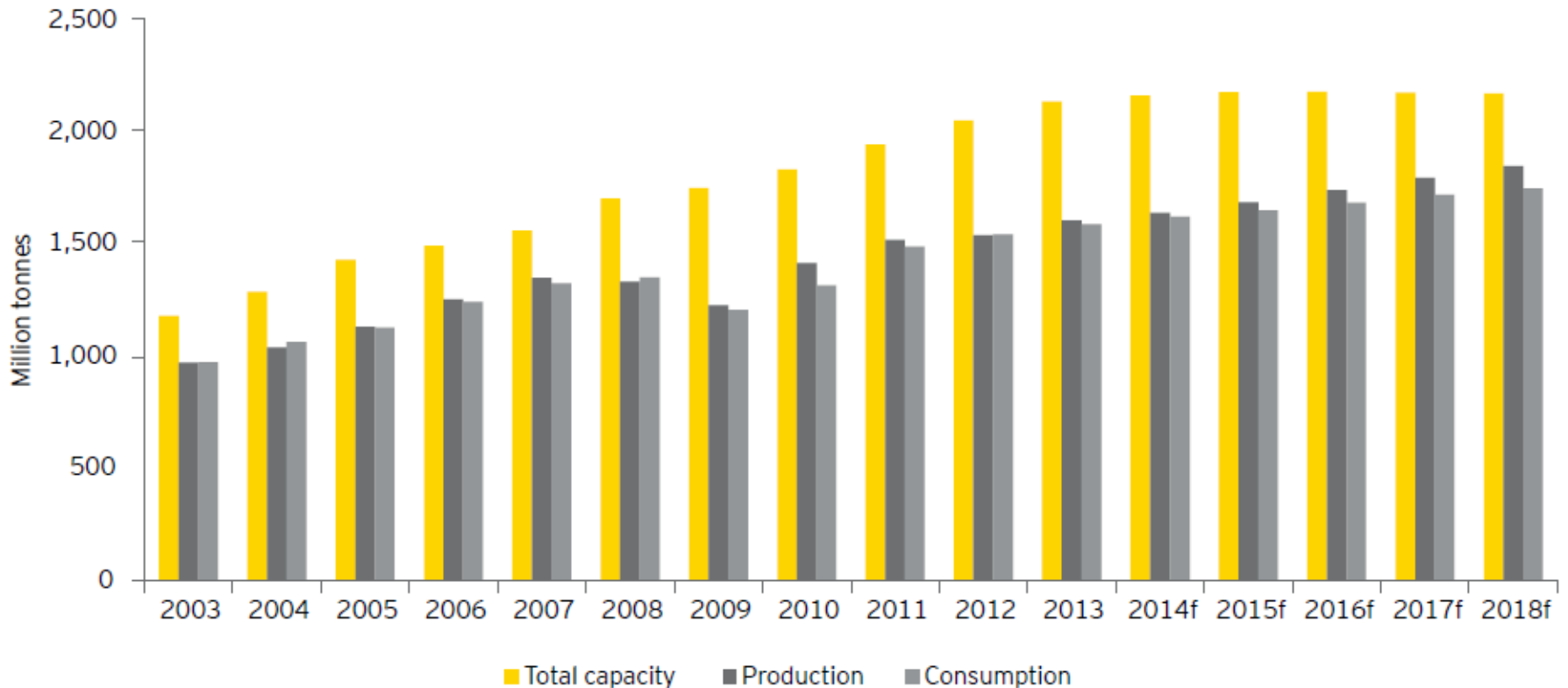


Increases in global steel production are expected to outstrip demand growth over the remainder of the decade.  
Source: JP Morgan estimates, World Steel Association, Wood Mackenzie

Figure 11: Steel Demand and Supply Forecast 2013 - 2020



# Global Steel Production and Consumption Capacity



Source: BREE, UBS estimates, World Steel Association, EY analysis

Figure 12: Global Steel Production and Consumption Capacity 2003 - 2018

# Top Steel Producers

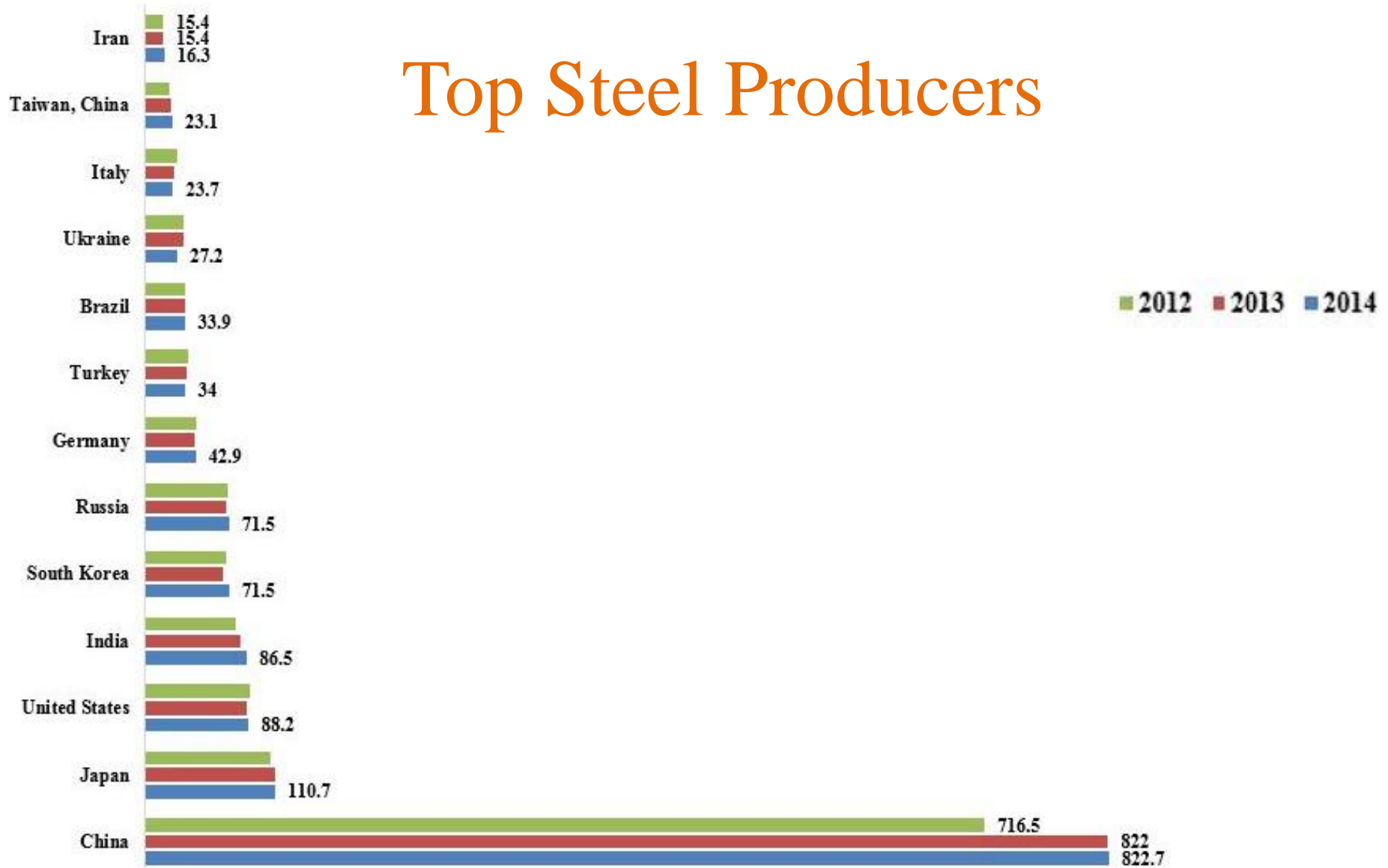


Figure 13: Top Steel Producers Worldwide (2015)

Source: World Steel Association

# Top Steel Using Countries

## Top 10 Steel Using Countries 2015

SRO April 2016, finished steel products

Countries	million tonnes			y-o-y growth rates, %		
	2015	2016 (f)	2017 (f)	2015	2016 (f)	2017 (f)
China	672.3	645.4	626.1	-5.4	-4.0	-3.0
United States	95.7	98.8	101.5	-10.6	3.2	2.7
India	79.5	83.8	88.3	4.5	5.4	5.4
Japan	62.9	64.4	63.6	-7.0	2.3	-1.2
South Korea	56.0	56.3	56.4	0.9	0.6	0.2
Russia	39.4	35.9	37.4	-8.4	-8.8	4.3
Germany	39.0	39.5	39.9	-1.5	1.2	1.0
Turkey	34.4	35.5	36.7	11.7	3.3	3.2
Mexico	24.2	25.0	26.2	5.8	3.4	4.7
Brazil	21.3	19.4	20.1	-16.7	-8.8	3.1

*f - forecast*

Figure 14: Top Steel Using Countries (2015)

Source: World Steel Association



# Iran's General Program to Export Steel

# Iran Potential for Steel Consumption

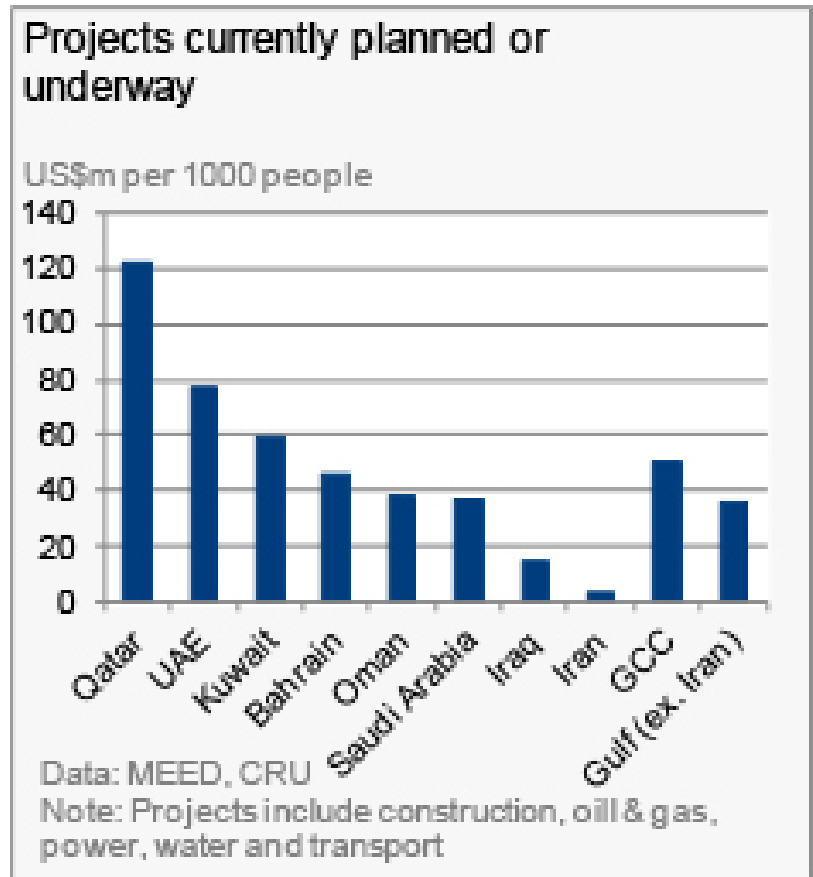
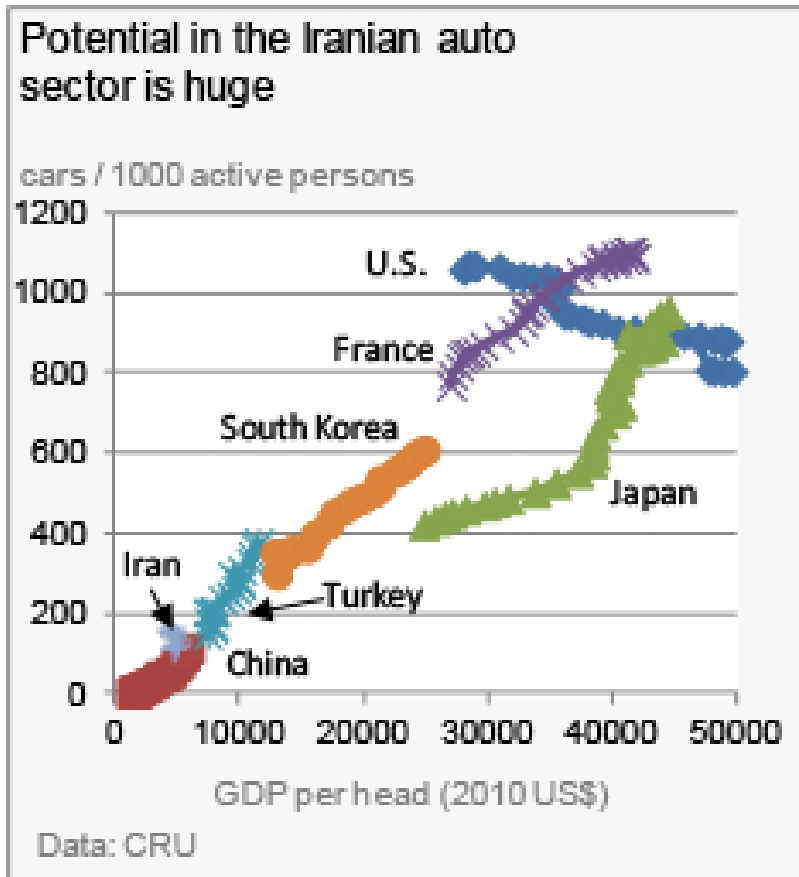


Figure 15: Iran Potential for Steel Consumption (July 2015)

# Pre and Post Sanctions Scenarios

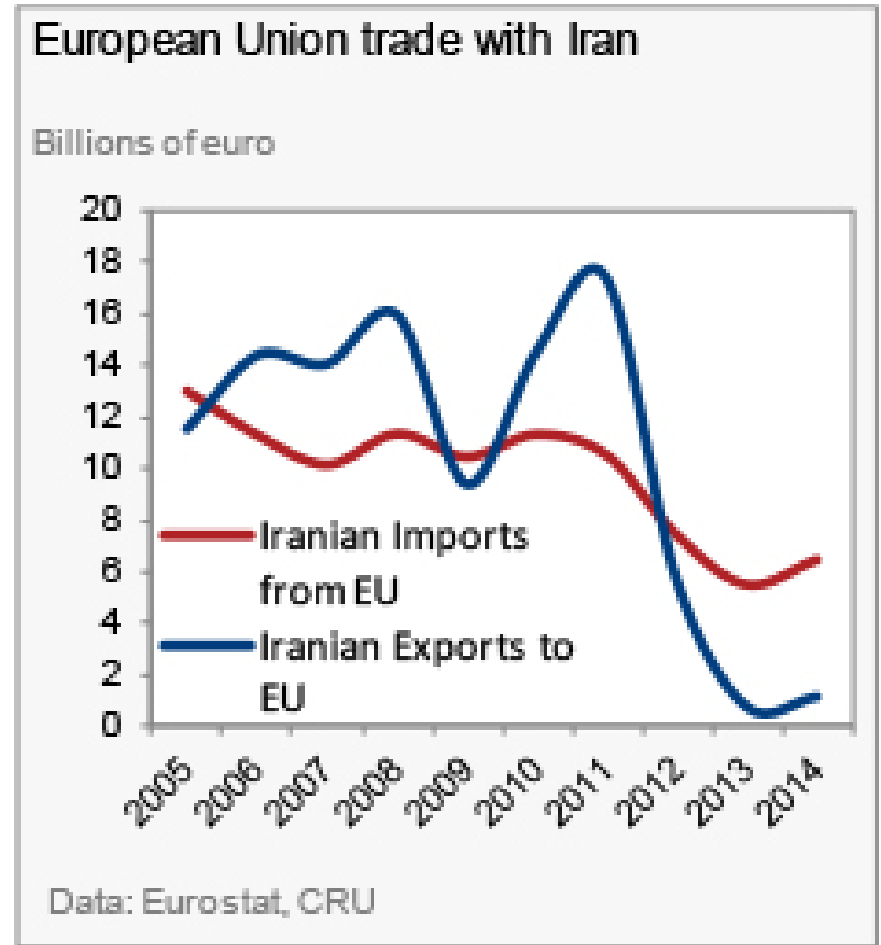
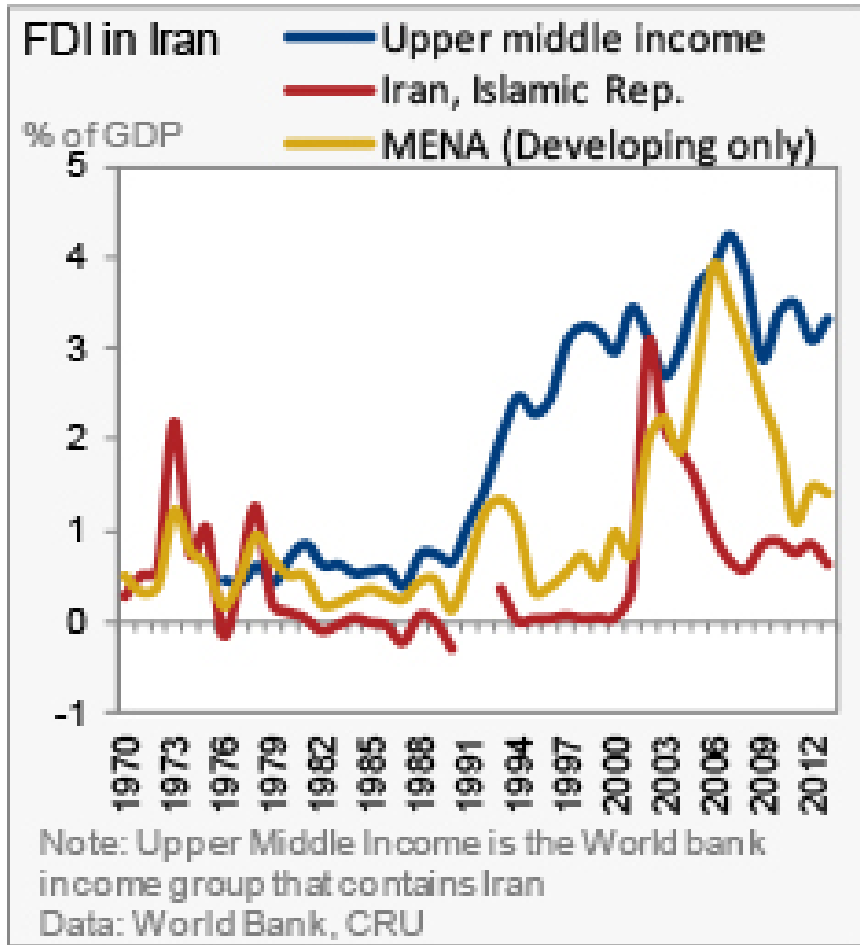


Figure 16: Pre and Post Sanctions Scenarios

# Capacity vs. Capabilities

- Reaching the target capacity is one aspect of a successful steel strategy. But another equally important aspect is developing the right capabilities whilst capacity is being increased.
- Steel Value Chain Upstream:  
Iron Ore => Concentrate => Pellets =>  
Sponge Iron (DRI) => Crude Steel
- Steel Value Chain Downstream:  
Crude Steel => Semi-finished Products =>  
Finished Rolled Products => Value-added Products

# Steel Value Chain Downstream

- Capability to produce Semi-finished Products.
- Capability to produce Base Grade Hot Rolled Products (HR Coils, Rebars, Wire Rod & etc).
- Capability to produce High Grade Rolled Products (CR Coils, Galvanized Coils, Color Coated Steels, Drawing Grade Wire Rod & etc).
- Capability to produce Value-added Downstream Products (Customized Grades, Components & etc).



# Conclusion

- Iran is ranked as the 14th Crude Steel Producer Worldwide.
- Iran is planning to increase both Upstream & Downstream Capacities of its Steel Value Chain, to meet the target of 55 Million Tons Crude Steel Production in Vision 2025.
- The right capabilities are those that lead to Maximum Value Creation both in Domestic and Export Markets.

# Conclusion

- Iran Steel Export has been increased by 77% from March to June 2016, in comparison to the same period in 2015.
- Just in July 2016; 521,400 Mts steel has been exported which shows 86% increment in Weight, compare to the same period of 2015.
- Iran is trying to achieve to export min 6 Million Tons steel during 2016 which is 2 - 2.5 Million Tons more than 2015 figure.

# Conclusion

- Iran has been exported 5,789,940 Mts amounting USD 227.2 Million Iron Ore from March to June 2016. The last figure for the same period in 2015, was 3,419,000 Mts amounting USD 121.5 Million. It shows 59% increment in Weight and 53% increment in Value, respectively.
- Iran has been exported 2,519,870 Mts amounting USD 1,124.3 Million Both Steel & Steel Value Chain Products from March to June 2016. The last figure for the same period in 2015, was 1,335,220 Mts amounting USD 826.3 Million. It shows 53% increment in Weight and 73% increment in value, respectively.



# Thank You

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