

Your window to the Gulf's industrial sector

a component of  **Trade Arabia**  
BUSINESS NEWS INFORMATION

Reg No. 161030

# GULF Industry

INCORPORATING EXPORTERS IMPORTERS [www.gulfindustryonline.com](http://www.gulfindustryonline.com)

BD3.5 KD3 R03.5 QR35 Dh35

Volume 31 – Issue 02 | February 2022



## STEEL

**Bahrain Steel hits record production**

**UAE steel industry forms committee**

## Saudi Arabia

**Qanbar Ready Mix launches green concrete at Ras Al Khair**

## Sustainability

**Mai Dubai is ahead in net zero quest**



# Alghanim breaks ground on new PEB plant in India

The new facility – expected to be fully operational by late 2022 – will increase the manufacturing capacity of its subsidiary Kirby Building Systems in India from 200,000 MT to 300,000 MT per year



Alghanim Industries plant in Hyderabad, India

Alghanim Industries, one of the largest privately-owned companies in the region, recently broke ground with a new pre-engineered steel buildings (PEB) manufacturing facility located in Gujarat, India's fifth largest state.

A subsidiary of Alghanim Industries, Kirby Building Systems is credited with the introduction of PEBs in India in the late 1990s, playing a crucial role in the growth of the country's infrastructure on all levels.

In addition to building multiple metro stations that connect several provinces, serving thousands of commuters every day, it constructed the Renault Nissan factory in Chennai, the world's single largest PEB building. The award-winning colossal 300,000-sq-m facility, built in 2011, has a production capacity of almost 400,000 vehicles per year.

Alghanim said the new facility will increase the manufacturing capacity of Kirby Building Systems in India from 200,000 metric tonnes (MT) to 300,000 MT per year. The new plant is expected to be fully operational by late 2022, creating hundreds of jobs. It will be Kirby's third plant in India, joining a global network of five PEB facilities that serve more than 70

countries.

Kirby's portfolio in steel structures also includes factory halls, warehouses, and fulfilment centres dedicated to serve a growing e-commerce market, with a number of international clients like Amazon and Toshiba.

The company's journey to the global stage of steel pioneers was paved with constant innovation, expanding into markets with its trademark environmentally conscious and fully recyclable steel.

Alghanim Industries' Executive Chairman Sir Kutayba Y Alghanim acquired Kirby Building Systems and relocated the company from the US to Kuwait in 1976. At the time, it catered to a country witnessing economic and urban growth, immersing itself with Kuwait's transition towards a modern and developed nation.

Kirby extended its operations beyond Kuwait's borders to both neighbouring countries and regions. In addition to its manufacturing facilities in India, Kirby Building Systems also operates facilities in the UAE and Vietnam, possessing a combined production capacity of more than 400,000 MT per year. Kirby is presently in the process of operating new manufacturing facilities in the Saudi Arabia.

"Kirby's success story is one we are very proud of at Alghanim Industries. When we introduced the concept, first in Kuwait and then to the region, the company was a small but ambitious steel business looking to change the way we think about construction," said Alghanim.

"Today, Kirby is a household name that is associated with quality, excellence, ef-



Y Alghanim

iciency – and a global leader in the PEB sector. Our significant investments in this area will support the fast-growing demand for our products, and continue to set the standard across all of our markets. We are grateful for the support of our customers who have been and remain at the heart of everything we do."

Pointing toward further plans of investment in the PEB industry, Alghanim said: "We are approaching a new transitional period in our region, that we believe will bring forward huge opportunities in this sector. The technological innovations we have championed for over four decades are ideally suited to support the rapid growth and development highlighted by Kuwait's vision 2035, and that of neighbouring countries like Saudi Arabia. At Alghanim Industries, we continue to strive to do our part in supporting these ambitious and forward-looking goals." ■

*Bahrain Steel registered a record production of 12 million tonnes of iron-ore pellets in 2021*



*Meshary Al Judaimi*

Marketing Ltd, the global mining giant.

This strategic 20-year agreement secured a majority of Bahrain Steel's required pellet feed for full production capacity at 12 million tonnes, ensuring uninterrupted delivery to its customers which include some of the world's leading steel producers across the Middle East and North Africa, Europe, North America, Malaysia, South Korea and China, among others.

On the deal, Foulath and Bahrain Steel Chairman Meshary Al Judaimi said: "We're delighted with this milestone, despite the challenging conditions of last 24 months as a result of the pandemic."

"We view Foulath and Bahrain Steel as pillars to the development of the region's steel industry. As the only GCC owned pellet producer and a reliable supplier to all regional steel manufacturers, Bahrain Steel's ability to meet increasing demand for pellets in greener steel production is inextricably linked with sustainable economic growth, both in the region and around the world," stated Al Judaimi.

"We look forward to continuing to support our customers and to enhancing capacity in line with the requirements of the customers we serve," he noted.

Group CEO Dilip George said the company had successfully implemented a strategic shift since 2019 focused on customer centricity as a core value and driver of growth. "With this change in strategy, and the strong partnership with Anglo American, we were able to increase production by an impressive 50 per cent compared to 2019, strengthening our position as a leading global supplier of high quality DR pellets," remarked George.

Commending the dedication of its staff and valued partners, George said: "The confidence of our shareholders and the conducive business environment offered by the kingdom have all been the building blocks of our success which will continue to guide our journey." ■

# Bahrain Steel hits record production

The important milestone aligns to the kingdom's Economic Recovery Plan and the Industrial Sector Strategy (2022-26), which call for an increase in the industrial sector's contribution to GDP

**B**ahrain Steel, a leading producer and global supplier of high grade iron-ore pellets and a subsidiary of Foulath Holding, has announced that it has registered a record production of 12 million tonnes of iron-ore pellets in 2021.

Now operating over the rated production capacity of 11 million tonnes, Bahrain Steel is better positioned than ever to meet customer demand and to support global post-pandemic economic recovery.

Increased output also enables the company to help facilitate the transition towards carbon neutrality, which is dependent on significant increase in the use of pellets for more clean and sustainable production of steel around the world.

This milestone also aligns to the kingdom's Economic Vision 2030, Economic Recovery Plan and the Industrial Sector Strategy (2022-26), which call for an increase in the industrial sector's contribution to GDP, exports and job creation, with Bahrain Steel already contributing more than 4 per cent of GDP and 25 per



*Dilip George*

cent to the country's non-oil exports as well as employing 260 Bahraini nationals.

Record production was achieved by meticulous strategic planning and supported by collaborations with the Bahraini group's supply chain partners including a watershed agreement signed in 2019, when production stood at 8 million tonnes per annum, with Anglo American



# Al Yamamah Steel wins key contracts

Despite a fall in revenue, relative to the previous year, the company's gross profit increased by 8.5 per cent year on year and was aided by an improvement in gross margins



Al Yamamah Steel Industries wins major Egyptian orders

Saudi-based Al Yamamah Steel Industries Company said it has won two orders worth SR292 million (\$78 million) from Hyundai Engineering and Construction Company for supply of steel towers for the construction of electricity transmission lines for a key project on the Egypt border.

The first is for supply of steel towers for

the construction of 380 KV line between the new Afif BSP and Mahd BSP, while the second is for the construction of a 500 KV of electricity interconnection project between Saudi Arabia and Egypt – phase III – western region, said Al Yamamah Steel Industries in its filing to the Saudi bourse Tadawul.

The supply contract is for a one-year pe-

riod. In December, Al Yamamah Steel had clinched a key contract worth SR179 million from Arabian Electrical Transmission Line Construction Company for supply of steel towers for constructing 380 kV link between Buhirah Station and Tabarjal Station. As per the deal, the Saudi group will start supplying the materials for a one-year period effective May, it added.

Meanwhile, the company reported revenues of SR326 million (\$86.8 million) during the fourth quarter (Q4) of 2021, marking a year-on-year (y-o-y) decline of 31.3 per cent, said a report.

Al Rajhi Capital, a leading financial services provider in Saudi Arabia, said in its report that the results were lower than its estimate of SR437 million.

"We estimate that lower than expected volume from the construction segment resulted in a lower-than-expected revenue. Despite a fall in revenue, relative to the previous year, gross profit increased by 8.5 per cent y-o-y and was aided by an improvement in gross margins," said Al Rajhi Capital.

"We expect better inventory management to have aided improvement in profitability. Operating profits on the other hand increased by 36.8 per cent y-o-y, at the back of higher gross profits and lower operating expenses. However, the profitability of Yamamah was lower than expected and was impacted by lower-than-expected revenue. Going forward, we expect average steel prices to fall slightly in FY2022, compared to FY2021," it added. ■

## Automotive, O&G to drive steel ingots growth

RISING demand from end-users such as automotive, oil and gas and construction is driving the global steel ingots market and is predicted to boost growth in the forthcoming year too, says Fortune Business Insights in a report

Increasing investments in research and development for steel manufacturing is also predicted to contribute significantly to the global steel ingots market. The rise in trade actions along with the growing number of new capacity investments are fac-

tors likely to encourage the growth. The increasing government subsidisation along with high risks to the world GDP growth are factors likely to support the global steel ingots shares during the forecast period. The surge in steel prices will also aid its growth.

Geographically, the global steel ingots market is segmented into North America, Europe, Asia Pacific, Latin America, the Middle East and Africa. Europe is predicted to lead the global steel ingots market owing to the

rising demand in mechanical engineering. The rising construction activities is also predicted to aid growth in the region. Further, high labour wages and favourable financing costs in nations such as Italy, France and Germany is also expected to promote growth in Europe. In addition, growth in EU car industry is subsequently backing the steel ingots market.

The global steel ingots market in Asia Pacific is expected to rise at a considerable rate owing to the rising demand

for steel in countries such as China and India. Rising investments in infrastructure projects are also expected to enable growth in the region.

The global steel ingots market in the Middle East is expected to gradually rise owing to the increased funding of infrastructure projects in the GCC such as the UAE, Qatar and Saudi Arabia. The rising demand for steel in the UAE due to the surge in construction work is expected to boost the market in the region. ■





Representatives of UAE's steel producers at the formation of the Committee

# UAE steel industry forms committee

The UAE's Steel Producers Committee (SPC) hopes to help maximise the contribution of the steel industry to the UAE's sustainable economic growth and diversification

Seeking to play a vital role in a multi-billion-dollar industry, the UAE's Steel Producers Committee (SPC) has been launched in Dubai, UAE.

The body was launched on the sidelines of the Middle East Iron & Steel Conference - the event that brought the region's biggest players together in Dubai.

The SPC has been formed to represent steel makers and associated businesses at ministries and local entities across the UAE in efforts to pro-actively improve productivity and the performance of its members with the intention of helping them reach their full growth potential and business targets, while resolving any issues that may occur in the future and introducing any relevant investment services or integrated infrastructure to its members locally and internationally.

Speaking at the introductory press conference, Eng Saeed Ghumran Al Remeithi, Committee Chairman, Group CEO of Arkan and CEO of Emirates Steel, said that the UAE Steel Producers Committee has a

vital role to play in the multi-billion-dollar industry.

"The SPC has been set up to be an independent NGO that provides industry representation with the purpose of not only protecting steel producers and service providers across the UAE, but also to contribute to Operation 300bn, the UAE's industrial strategy and UAE Net Zero by 2050 Strategic Initiative. Also, the committee addresses the reality of challenges faced by the industry while strengthening working relationships with government, the private sector and joint ventures."

The Committee Vice Chairman & Managing Director at Taurani Holdings, Anil Taurani, spoke of how the SPC was committed to protecting the best interests of the UAE's steel producers and associated businesses. "The SPC will be responsible for establishing a range of communication channels that serve the objective of promoting cooperation with both investors and stakeholders involved in the industry across the UAE. By uniting all

steel industry leaders under one banner to create better regulations, rules and policies to the benefit of the steel industry, the SPC hopes to help maximise the contributions of the steel industry to the UAE's sustainable economic growth and diversification."

Helal Mohamed Al Hameli, the UAE Chambers Representative on the Committee & Deputy Director General for Advisory Centers & Councils at Abu Dhabi Chamber described the entity as a non-profit committee that has been formed to represent the steel industry."

Amongst its objectives, the SPC will examine, adapt and improve the rules,



Al Remeithi: SPC has a vital role to play

regulations and policies in force that are beneficial for SPC members, and provide fair, balanced and satisfactory solutions for all stakeholder concerns to strengthen relations between steel makers inside and outside the UAE.

To improve productivity and the performance of its members, it will organise a series of workshops and training programmes, regularly issue publications and guidelines on relevant topics with the latest updates on steel news, and provide a wide range of e-learning resources and e-library data-sets packed with information on the steel industry.

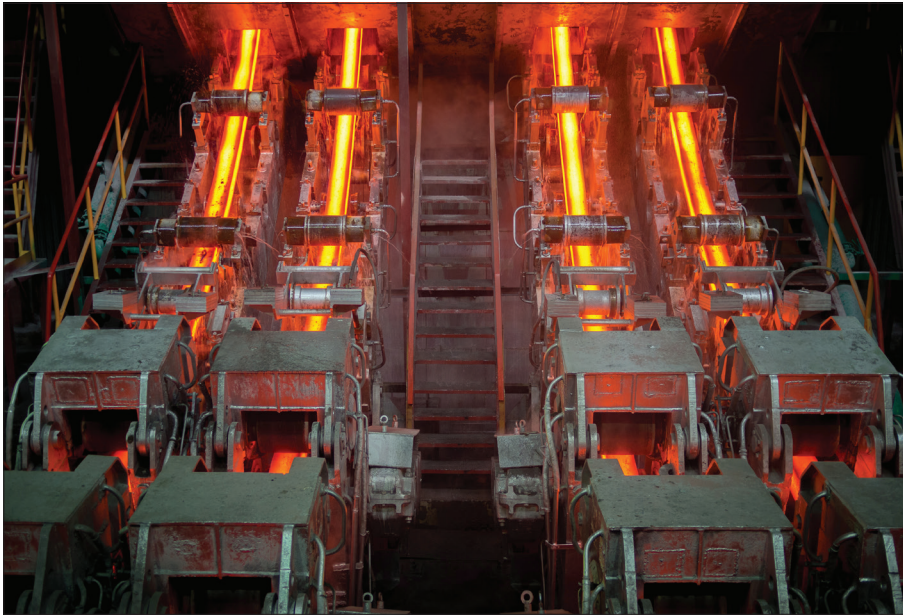
The committee is made up of 15 industry leaders who are committed to boosting Emiratisation within the steel industry to meet federal targets, and will be providing the necessary training and learning experiences for UAE nationals to forge a career in the industry.

Under the SPC, there are five sub-committees dedicated to steel manufacturing processes, including pipes and tubes, coated steel coils, reinforced steel bars, wire rod steel coils, raw materials, and steel sections. ■



# NSK doubles bearing life in casting process

By adopting NSK's sealed spherical roller bearings, a major steelmaking plant in Europe has been able to save €14,850 annually in downtime and maintenance costs



*NSK has doubled the service life of bearings in a continuous casting machine application at a major European steelmaking plant*

Cylindrical roller bearings mounted to a continuous casting machine were only lasting 1-2 months prior to failure at a major steelmaking plant in Europe. To remedy the situation, the facility invited bearing manufacturer NSK's team of experts to review the application and operating conditions, a process that ultimately led to the adoption of NSK's sealed spherical roller bearings. The result: annual savings of €14,850 in downtime and maintenance costs, said the company.

The machine in question produces I-section beams using a series of rolls to maintain pressure on the profile as the molten steel solidifies. Shaft-mounted bearings support each set of rolls.

At the steel plant, the cylindrical roller bearings were lubricated with oil via a complex system of piping. Unfortunately, high maintenance costs were the norm because of the time required to disconnect

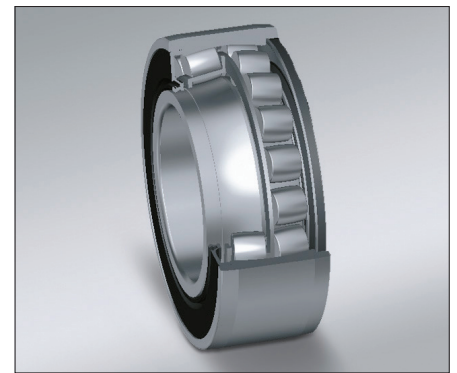
and reconnect the pipes after every bearing failure. Due to the demanding nature of the application (high temperatures, contamination, high loading) – as well as the design constraints of the machine which prevented the fitting of heavier duty bearings – the service life of the cylindrical roller bearings was just 1 to 2 months. To provide an improvement, NSK concluded its analysis by proposing to fit the rolls of one segment with sealed spherical roller bearings (60 in total).

NSK's solution doubled the maintenance intervals to 2-4 months thanks to the high sealing performance of the sealed spherical roller bearings, resulting in substantial cost savings of €14,850 (for just a single segment of the continuous casting machine). Instead of the single-lip concept of standard sealed spherical bearings, NSK's design takes advantage of a special outward-extending, spring-loaded lip seals made from nitrile rubber,

delivering robust protection against the ingress of contamination.

The savings of €14,850 relate solely to reduced downtime and maintenance costs. However, in reality, the steelmaker is enjoying many additional savings. For instance, another critical factor is that NSK's sealed spherical roller bearings use long-life, temperature-resistant grease, subsequently eliminating oil costs. Moreover, the solution is more eco-friendly as there is no need to dispose of contaminated oil, leading to another saving.

Most notably of all however, the grease does not require reapplication for the operating lifetime of the sealed NSK bearing, which means that dismantling and re-installing the oil piping system is no longer needed after a bearing failure, significantly reducing the time required for maintenance. Overall, the time required for the replacement of a segment is now 10 hours, instead of 20 previously.



*NSK's sealed spherical roller bearings feature symmetrical rollers*

In terms of bearing design, NSK's sealed spherical roller bearings feature symmetrical rollers and raceways to prevent edge loading problems at the contact points under high-load operating conditions. Furthermore, a special chamfer configuration ensures smooth axial movement of the bearing at the free end.

Such was the success of the project at the steelmaker that NSK received an order for 900 bearings with the intention of replacing the existing cylindrical roller bearings on all segments of the continuous casting machine, multiplying the savings accordingly. As a final point, the maximum limiting speed of the NSK sealed spherical roller bearings is 8 m/s (as determined by the permissible linear speed at point of contact with the seal lip), ensuring its suitability for other applications involving higher operating speeds than continuous casting. ■





*Thyssenkrupp's steel unit is one of the leading metal suppliers to Germany's auto industry*

# Thyssenkrupp mulls steel-unit spinoff

A spinoff would represent yet another twist in Thyssenkrupp's years-long effort to find a lasting solution for its steel unit, which is one of the leading metal suppliers to Germany's auto industry



*Thyssenkrupp Steel's products are versatile*

**T**hyssenkrupp is considering listing its steel division on the stock market amid mounting opposition to a potential sale to Liberty Steel Group, according to people familiar with the matter, according to a *Bloomberg* report.

Thyssenkrupp executives are studying the idea of handing existing shareholders stock in the steel unit, the people said, asking not to be identified because the information is private.

A spinoff would represent yet another twist in Thyssenkrupp's years-long effort to find a lasting solution for its steel unit, which employs about 27,000 people and is one of the leading metal suppliers to Germany's auto industry.

Some supervisory board members have called on Thyssenkrupp to explore an alternative to the Liberty sale after union officials and some large shareholders raised concerns, the people said.

Some of them pointed to a similar transaction that did not end well for the Essen,

Germany-based company, which in 2012 sold its stainless steel unit Innoxum to Outokumpu Oyj only to buy back some assets a year later.

The considerations come ahead of a binding bid Sanjeev Gupta's Liberty plans to make later this month, the people said. No final decisions have been made on whether to opt for a sale or spinoff of the unit, the people said.

Developing the business by itself remains an option for Thyssenkrupp, a spokesperson for the steelmaker said, declining to further comment. A spokesman for Liberty declined to comment.

Thyssenkrupp has confirmed it's in talks with London-based Liberty over a sale of the division, which has been struggling amid a global steel glut and large pension deficits.

Representatives for Thyssenkrupp's biggest shareholder, the Alfried Krupp von Bohlen und Halbach Foundation, have raised concerns about the viability

of Liberty's bid and funding model with management, according to people familiar with the matter.

The foundation owns 21 per cent of Thyssenkrupp's outstanding shares, and the chairwoman of its board of trustees, Ursula Gather, sits on the company's supervisory board.

Thyssenkrupp's executive board should "examine all options in order to be able to make the best possible decision for the steel division," said Barbara Wolf, a spokeswoman for the foundation.

Some Thyssenkrupp stakeholders have also voiced concern about the transparency and reliability of Liberty's financing

for a transaction, the people said. Liberty Steel is part of GFG Alliance, a loose structure of companies owned by members of Gupta's family.

It has drawn the spotlight for its rate of expansion in the past five years. GFG has also faced scrutiny for the opaque structure of its business.

Once synonymous with German industrial prowess, Thyssenkrupp is fighting for survival. The Covid-19 pandemic has intensified deep-seated structural issues at the company, which still employs more than 100,000 people.

The business case for making steel has slightly improved in recent months. Prices for the metal have increased as lower supply caused by the pandemic shutdowns last year were followed by stronger-than-expected demand in the second half of 2020.

European steelmakers are also expected to benefit from a general surge in the price of commodities as inflation rises and stimulus packages boost building activity.

Thyssenkrupp ranks No 21 on the Automotive News Europe list of the top 100 global suppliers, with worldwide sales to automakers of \$11.86 billion in 2019. ■



# Embosal plans \$68m steel pipe plant

The project to be set up in Ras Al Khaimah will have a workforce of over 450 employees, with a combined annual capacity of 1.5 million mt of steel tubes and pipes



The new plant will specialise in the manufacturing of structural steel pipes and tubes

Embosal Steel Mills, a conglomerate family business established in the 1980s in the UAE, plans to set up a AED250 million (\$68.06 million) steel pipe plant in Ras Al Khaimah. It will specialise in the manufacturing of structural steel pipes and tubes, water transmission pipes and piling pipes.

The project will have a workforce of over 450 employees, with a combined annual capacity of 1.5 million metric tonnes of steel tubes and pipes. All products will be distributed to local projects within UAE and overseas.

Embosal Steel Mills will soon be joined by three of its sister companies in its new 140,000 sq m land plot at Ras Al Khaimah Economic Zone (Rakez).

“Our relocation to Ras Al Khaimah is a strategic decision to support our long-term goal. Cost is one of the most important factors in our decision-making process, and Rakez was able to offer us cost-effective solutions,” said John Thom-

as, Managing Director of Embosal Steel Mills LLC.

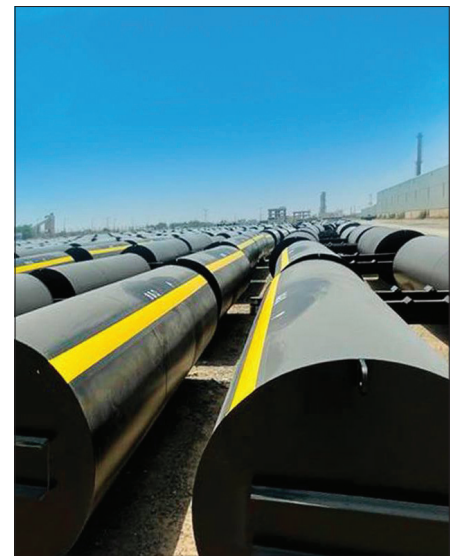
“Embosal Steel Mills is just the beginning of our journey with Rakez. Our sister companies operating in different emirates will also join us in the same location, improving our collaboration and efficiency, as well as for a more seamless distribution of our products to the rest of the region,” Thomas added.

Commenting on Embosal Steel Mills joining the economic zone, Ramy Jallad, Group CEO of Rakez said: “It is always a pleasure to welcome large-scale industrial companies to Rakez such as Embosal Steel Mills LLC - the latest addition to the over 150 supply chain players in our zones. Over the years, we have been enhancing our industrial ecosystem through the continuous improvement of our offerings and overall infrastructure to fully support the operations of our industrial players - from their production and storing process to the easy flow of their goods to the re-

gion. In the macro, our efforts are geared towards further growing the manufacturing industry in the emirate and creating more opportunities for global talents.”

Once the relocation process is completed, Embosal’s production facility will also house Coremetal Industries LLC, which will run the fabrication, metal processing and machine shop, and CorePac Packaging LLC, which will manufacture and store packaging disposables and airline products. It will also include an on-site accommodation for its large manpower.

Embosal Steel Mills is located in Al Ghail (Ras Al Khaimah), with the installed combined capacity of 1.5 million tonnes per annum. Equipped with advanced state of art production machineries in large well-organised factories, the company produces precision square and rectangular tubes with specification range of 30x30x2mm to 800x800x40mm and RHS 35x30x2mm to 800x750x40mm.



Embosal produces a wide range of pipes

It is also equipped with other production lines starting from 1-inch dia to 250-inch dia pipes in different thickness from 2mm to 80mm. All the products are widely used in machinery, large construction, bridge, airports, ship building purposes etc.

Rakez, a powerhouse business and industrial hub established by the Government of Ras Al Khaimah in the UAE, currently hosts over 15,000 companies coming from over 100+ countries and operating in more than 50 industries.

A leading economic zone, Rakez aims to continue attracting diversified investment opportunities that will contribute to the economic growth of Ras Al Khaimah. ■