



اللجنة الوطنية لصناعة الحديد  
NATIONAL COMMITTEE FOR STEEL INDUSTRY

بسم الله الرحمن الرحيم

Press Release

202/2018



مجلس الغرف السعودية  
Council of Saudi Chambers

**National Committee for Steel Industry Chairman:**

## **Steel Products and Common Errors Leading to Misconceptions**



Galvanized and PPGI steel coil



Hot rolled steel coil (black)



Steel rebar

**Riyadh, October 7<sup>th</sup>, 2018**

National Committee for Steel Industry Chairman Engineer Rayed Abdullah Al-Ajaji said in a statement that “confining the term steel to denote steel rebar only is a widespread error caused mainly by the dominant consumer perception emphasizing steel rebar as a social good affecting all institutional and individual segments of society”, pointing out that “this misconception of steel leads to unsound reading, flawed analysis and ultimate fallacies”.

Al-Ajaji explained that “steel products are divided into two groups, the first is Long Steel Products, mainly steel rebar and steel sections, and the second is Flat Steel Products, mainly hot rolled steel coils (HRC), commercially known as black steel, which is the semi-finished raw material needed to produce other flat steel products such as cold rolled steel coils (CRC), galvanized steel coils (GI) and pre-painted galvanized steel coils (PPGI)”.

“While mined iron ore is one of the principal raw material: used to produce semi-finished steel products, such as square or round cross-section billets which are in turn used to manufacture long steel products. Conventional iron & steelmaking route also uses iron ore as basic raw material to produce slabs that are used for manufacture of flat rolled steel products / coils. We find today that the state of the art steel industry technology has evolved and currently uses iron scrap alongside iron ore”.

To clarify the error leading to misconceptions, it is noted that when the price of steel rebar for example is around US \$ 570 per ton, prices of various hot rolled, cold rolled, galvanized and PPGI steel sheet vary, reaching around US \$ 1,150 per ton. Thus, incorporating all of these various types of products with their large price differences under the term “steel”, and citing collective statistics with an average price for all of them, can never work, and would most definitely lead to

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misconceptions in the minds of stakeholders and recipients, be they economists, the general public or consumers.

Al-Ajaji further pointed out that “the economic transformation phase the Kingdom is currently undergoing demands the efforts of industry professional media of a scale so as to effectively contribute to the dissemination and support of the economic transformation culture. Such role requires obtaining relevant research information and data from reliable sources, to ensure accurate transfer of knowledge to recipients without ambiguity”. He added that “in the global iron and steel industry for example, specialized, well known and reliable websites may be used to obtain news and updates. At the domestic level, the National Committee for Steel Industry, having realized the existence of a steel industry information gap, has published on its website an encyclopedia on various steel products, including images, customs codes and end uses of each of those products. It also published links to the websites of best known international organizations and companies specializing in steel industry and steel news reporting. All interested parties, including economists, media workers and researchers may refer to those websites, as well as the official website of the Saudi General Authority for Statistics, to benefit from their credible and reliable content at the level of consultancies, universities and university research”.

Al-Ajaji emphasized that “the National Committee for Steel Industry is one of the most important national industry committees of the Council of Saudi Chambers, representing strategic industrial sectors in the Kingdom of Saudi Arabia. He also underscored the national importance of the steel industry in various countries of the world, being a key item on the agenda of the G20 periodic meetings, as the world iron and steel production capacity surpluses are now a cause of alarm threatening most national steel industries in many countries. Moreover, the ongoing trade war started over iron and steel products, and its effects will reach our industry and markets, whether we like it or not. The national steel industry, already suffering from the harmful international trade practices, is now in dire need for care and attention, by acting quickly to prevent further damages as a result of the expanding trade war, and in order to enhance its competitiveness and ability to grow and develop. This should create an attractive investment landscape and create jobs to achieve the higher goal of sustainable Saudization”.

“The Saudi steel industry is essential in consolidating the Kingdom’s standing at the regional and international levels, as the only MENA region member state of the G20, and the private sector steel producers will play a crucially vital rule in realizing the Kingdom’s Vision 2030, aimed at diversifying non-oil revenue sources.” Al-Ajaji concluded.

Please visit National Committee for Steel Industry website: [www.ncsi.org.sa](http://www.ncsi.org.sa)  
Encyclopedia of Major Iron & Steel Products: <http://www.ncsi.org.sa/iron-steel-encyclopedia/>

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