

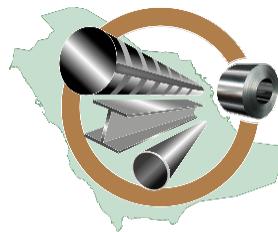
اللجنة الوطنية لصناعة الحديد
NATIONAL COMMITTEE FOR STEEL INDUSTRY

Outstanding Saudi Presence at the Middle East Iron & Steel Conference Accentuates the Kingdom's Regional Leadership



H.E. Mr. Abdulaziz Al-Rahseed, the Undersecretary – Ministry of Economy & Planning, Economic Affairs, Saudi Arabia, with H.E. Dr. Mattar Al-Niyadi, the Undersecretary – Ministry of Energy and Industry, United Arab Emirates, accompanied by members of Saudi National Committee for Steel Industry headed by Chairman Eng. Rayed AL-Ajaji
NCSI Exhibition Booth at MEIS – 2018 in Dubai 10-12 December 2018

Dubai, U.A.E., 12 December 2018: Saudi Arabia's participation in the Middle East Iron and Steel Conference, the largest and best known conference MENA-wide, held in Dubai, U.A.E. during the period 10-12 December 2018, saw remarkable attendance by representatives of the Kingdom's iron and steel industry, with the participation of the National Committee for Steel Industry, represented by its Chairman Engineer Rayed Al-Ajaji, its Deputy Chairman Advisor Mohammed Al-Jabr, and Mr. Abdul Aziz Al Hudaib, as well as the attendance and significant support of a number of government officials representing the Mineral and Metal Cluster of the Saudi National Industrial Clusters Program and the Ministry of Energy, Industry and Minerals. Undersecretary for Economic Affairs of the Ministry of Economy and Planning Abdul Aziz Al-Rasheed, spoke at the

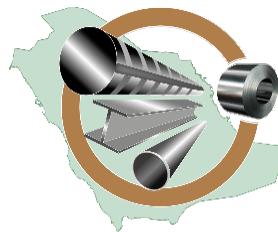


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opening of the Conference, emphasizing the importance of the iron and steel industry in the Kingdom as a strategic national industry expected to play an effective role in advancing Saudi economic development, and pivotally contribute to the realization of the Kingdom's Vision 2030.

The diplomatic corps at the Kingdom's Consulate in Dubai was also present. The Consulate's Media Officer stated that the attendance of the members of the diplomatic corps was in accordance with the guidance of the Saudi leadership to support Saudi participation in international events and reflect the true standing of the Kingdom globally. It is also noted that representatives of the Bureau of the Technical Secretariat for Anti-Injurious Practices in International Trade of the Secretariat-General of the Cooperation Council for the Arab States of the Gulf, and representatives of the Minerals Investment Unit in Dussur Company which focuses on the development and growth of investment in the Saudi minerals sector, have also attended the Conference.

In addition to the National Committee for Steel Industry gold sponsorship of the Conference, the Committee's Chairman Engineer Rayed Al-Ajaji spoke at the Conference's opening session, shedding light on the realities, challenges and opportunities for growth and development of the Saudi steel industry. Al-Ajaji said that the iron and steel industry in the region in general, and in Saudi Arabia in particular has suffered many difficulties in recent years due to the unfair competition by foreign products in the absence of application of legislative safeguards and protective measures provided by international trade laws. Al-Ajaji pointed out that the difficulties faced by the iron and steel industry were compounded by the recent international trade war which started with the United States imposing protective tariffs of 25% on its imports, and the European Union and a number of other countries such as Canada, Turkey, Russia, India, Armenia and Kazakhstan following suit. More countries are expected to resort to protective measures. Al-Ajaji added that these international protectionist measures will force exports to search for alternative markets for their production surplus, and that they will find our markets, which lack protection, an easy prey, thus causing irreparable damage if the delay persists in taking effective measures to counter this threat. Al-Ajaji pointed out that China's exports of certain steel products, such as pre-painted steel sheet, in enormous quantities and at very low prices, have brought the Saudi industry to the brink of collapse. Add to that the exports of a number of other countries, such as India, South Korea, Vietnam, Turkey and others, which have come to pose real obstacles to the growth and development of the Saudi industry, as well as its endurance, survivability and continuity.



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On the negative effects of the Injurious Practices in International Trade on the Saudi iron and steel industry, where production has declined to catastrophic levels to say the least, Al-Ajaji stated that one of the reason is the enticement in the form of low customs duty as applied in Saudi Arabia, which is 5%. This allowed exporters to target the Saudi market with enormous quantities. He also pointed out that in the agreement on the Kingdom's accession to the World Trade Organization (WTO), maximum custom duty applicable by the Kingdom on steel products was set between 10% and 20%. The Kingdom's application of these maximum limits has now become urgently necessary without any delay, as it will allow the Saudi steel industry some breathing space, and restore some of its competitiveness. It is not reasonable that some countries impose tariffs of up to 25% on Saudi steel products, while Saudi Arabia imports the products of those countries with 5% customs duty only.

At a discussion session at the Conference dedicated to the representatives of the Saudi iron and steel industry members of the National Committee for Steel Industry, attended by Deputy Chairman of the Committee Advisor Mohammed Al Jabr, and the heads of five of the Committee's business units. The team overviewed the Committee, its formation, members, objectives and interim achievements, and shed light on some of its future plans, including preparation for the First Saudi Iron and Steel Industry to be held in Riyadh in September 2019, with the participation of 600 to 800 attendees, including select Saudi, regional and international iron and steel industry leadership, merchants, steel manufacturers, scientific and research organizations, laboratory technicians, and local, regional and international media representatives. Advisor Mohamed Al Jabr, Deputy Chairman of the National Committee for Steel Industry said "the aim of the Committee and the Saudi Chambers Council is to work together with our partners in government to implement and enforce the joint standards and rules which help ensure fair and balanced competition in the Saudi market and reflect better practices within the international legal frameworks developed by the WTO, to be applied to all sectors of the Saudi economy".

It is noted that the National Committee for Steel Industry is a non-profit organization. Its aims at overcoming challenges impeding the development and growth of the Saudi steel industry and achieve the Kingdom's Vision 2030. It is also in charge of creating an environment capable of attracting investments and manpower, develop an industrial and social responsibility culture, and work with members of the industry to overcome challenges and help them achieve growth and development.

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