Steel Production at Mobarakeh Steel Group up 21 Percent

A 21 percent rise in crude steel production at Mobarakeh Steel Group in the first quarter of 2015 has pushed Iran’s overall steel production by 9.6 percent. Mobarakeh Steel Group, which brings together Mobarakeh Steel Company, Saba Continuous Rolling and Steel Complex, and Hormozgan Steel Company, produced 1.912 million tons of steel in the three-month period. The figure registered a 21 percent hike over corresponding period last year.

Without doubt, proper management is what all success stories have in common. The championship of Sepahan Football Club in the country’s Premier League, known as Persian Gulf League, is no exception. The following is an interview we conducted with Bahram Sobhani, the managing director of Mobarakeh Steel Company which sponsors the newly-crowned champions.

Q. How effective has the support Mobarakeh Steel Company lends to football in general and Sepahan Football Club in particular been in the success of this club?
A. As part of its social responsibility Mobarakeh Steel Company has made investment in various cultural, social and sport fields. The company does not view such investment as expenditure. Investment in sports, football in particular, is a very important such investment. When it comes to sports, Mobarakeh Steel Company is active on two fronts: blue-collar and professional sport. The latter comes in the form of sponsoring the teams owned by Sepahan Cultural and Sports Club. This club owns various sports teams, the most recognizable of which is Sepahan Football Club which has a huge fan base. The football club has performed very well ever since its foundation. In just over a decade it has secured nine championships (five in the Premier League and four in the Iranian cup.)

Q. How scientific is the management of the club? Does it meet your expectations?
A. The way this club has been managed, particularly in recent years, matches up to top sport management standards. The club has drawn up long-term plans and follows a policy of tapping into local youth potential. Committed individuals find the prevailing atmosphere in this club perfect to build on ethical and ideological principles and move forward. You may have seen members of the team praying before stepping onto the pitch; they do believe in the support of the fans. Despite the ups and downs of the season, they were determined to win and were eventually crowned champions.

Q. How do you favor industrial sponsorship of sport teams? How effective is such sponsorship?
A. Sports, especially football, which has a huge fan base here, can benefit from cooperation with industrial brands. The industry too can take advantage of such cooperation. It is mutually beneficial. Social support for an industrial brand through sports and the nationalist feelings people develop for a brand are important developments which are only made possible by sport.

Sepahan has managed to develop an outstanding popular base in recent years. In light of the fact that sport clubs in Iran are not professional enough to be profitable, they need to be financed. And industrial heavyweights can use their sponsorship of sport teams to win over the public. I believe that it is a mission of industrial giants. The success of the sport team we sponsor has a direct impact on the efficiency of our staff. When the team emerges victorious, efficiency at our plants picks up.

Q. You have any more comments to make?
A. I would like to thank the public, I’m happy that the championship of Sepahan has made the residents of Isfahan happy. I’d also like to thank all personnel and managers of Mobarakeh Steel Company and congratulate the residents of Isfahan on the championship of their favorite team.

Pakistan Commerce Minister: We Establish Economic Commercial Ties with Iran on Solid Basis

Iron VP: Government Seeking to Complete Sefid Dasht Steel Complex

Crude Steel Output Growing

The World Steel Association, known as Worldsteel, announced that Iran produced more than 5.36 million metric tons of crude steel in the first four months of 2015, indicating a 3.5% growth compared to the similar period in 2014, Tasnim News Agency reported.

Mobarakeh Steel Group Acquires casting segment Manufacture Know-How

16 Projects Worth $5.1 Billion Ready to Absorb Investment: IMIDRO

Plan to Export Sponge Iron to Turkey

Experimental Desulfurization Line Launched at Mobarakeh Steel Company
Pakistan commerce minister: We Establish Economic, Commercial Ties with Iran on Solid Basis

Pakistani Commerce Minister Khurram Dastgir Khan, who visited the production line at Isfahan’s Mobarakeh Steel Company – which is a highly organized company producing various items – said that the complex’s monthly consumption of refractory materials in the steel sector has been reduced by 13% to 8.73 kg per molton ton in the first month of the Iranian year, down from 10.76 kg in 2013 and 9.75 kg in 2014. He said the one-kilogram drop in the consumption shows that big changes have taken place [in the company] and different refractory plans have been implemented. He also hoped the company can – like the MSC – help in reducing its consumption to less than 8 kg per molton ton.

For his part, Mir-Ghasem Seyyedi Taji, the head of the Refractory Center at the Saba Continuous Roll and Steel Complex, said that the complex’s monthly consumption of refractories has been reduced from 8.73 kg per molton ton in the first month of the Iranian year, down from 10.76 kg in 2013 and 9.75 kg in 2014. He said the one-kilogram drop in the consumption shows that big changes have taken place [in the company] and different refractory plans have been implemented. He also hoped the company can – like the MSC – help in reducing its consumption to less than 8 kg per molton ton.

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Iran has managed – for the first time – to indigenize the production of fans used in the pelletizing units to help Mobarakeh Steel Company (MSC) economize on expenses and create more job opportunities. This has also helped stop the outflow of money to other countries as the country has met the demands of all its pelletizing plants.

Ahmad Zolfaghar Beik, who is in charge of purchasing at the MSC, broke the news and said that the breakthrough has come on the back of efforts by different units and departments of the company, among them: Locally Manufactured Spare Parts Purchase Department, Indigenization, Reverse Engineering, Central Repair [and Maintenance of Electrical Equipment], Quality Control and Iron Making.

He said that the giant fans used to be purchased from Europe, adding, ‘In the last contract the producing company declined to sell the fans to Mobarakeh. So we decided to indigenize the sensitive device by tapping into domestic potential. The first [industrial] process fan was built after two years, drawing on efforts made by all experts. It successfully underwent different tests and was later put on the production line. Then we decided to build and make operational another two fans by September.”

“We indigenized the fan in cooperation with experts from different units. The management at different units – including the Purchase and Supplies, Technical Office, Raw Material and Central Repair shop – also supported the indigenization process. We hope we can indigenize other sensitive equipment at MSC this year [ending March 2016] which has been designated as Year of Solidarity and Harmony,” he said.

For his part, Khashayar Payar, who is in charge of repair works at the Pelletizing Unit, said that sponge and scrap iron are the primary materials used to produce molten steel at MSC’s Steel Making Unit. To produce sponge iron at the Direct Reduction Unit, iron ore oxidized pellets which are solid and properly granulated are needed. The Pelletizing Unit receives fine-grained iron ore concentrates (with granulation of 80 percent below 45 microns) and coarse-grained iron ore (with granulation of 95 percent below one millimeter) and convert them to pellets with granulation of 9-16 millimeters in [the pelletizing] discs and then harden them in the kiln. Later the raw pellets with a crushing strength of one kilogram per pellet – which are easily crushed – are placed in the kiln to go through drying, preheating, curing and cooling down stages to reach the crushing strength of 320 kg per pellet and display good quality for the direct reduction process. By circulating hot air, eight fans take care of the hardening process of pellets and the needed chemical changes the raw pellets go through. One of the main fans used in the curing furnace is the exhaust fan (V04 08) which is a radial, double-inlet ventilation fan with the following characteristics: Payar went on to say that the giant propellers of the fans at the Pelletizing Unit, which are among the heaviest propellers used in industrial plants in the Middle East, have been built by French companies that have the technical knowhow of designing and producing such equipment.

He said that for the first time Iran has managed to design and make such propellers at home thanks to the potential of experienced experts at Mobarakeh Steel Company and that of Mangan Machine Manufacturing Company. He added the indigenization and reverse engineering sectors have collected the technical documents for designing and making the needed equipment in close cooperation with experts from the Pelletting and Metal Structure Units, the Central Repair office and the unit overseeing rotating machines used for technical inspection. He also said that the equipment has successfully passed control tests, adding the fans propellers are fit for installation in the Pelletting Unit.

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A report released by Iranian Mines & Mining Industries Development & Renovation Organization (IMIDRO) noted that overall production of crude steel in the first quarter of 2015 stood at 4,089 million tons, registering a 9.6 percent growth over the similar period of 2014. Iran was the world’s 14th largest producer of steel and is expected to raise its current production figure of 22 million tons to 55 million tons by 2025.

According to official figures, the country’s crude steel production in the first quarter stood at 3,729 million tons. Although global output in the same period hit the 400 million ton mark, it was 1.8 percent lower than 2014.

During the same period production of crude steel by Chinese companies was down 1.7 percent (200 million tons), whereas Indian plants rolled out 9.4 percent more (22.7 million tons). Japan and South Korea produced 26.7 million tons (down 3 percent) and 16.6 million tons (down 6.5 percent) respectively. In the United States production hit 19.9 million tons, registering a decline of 19.9 percent over 2014.

Iran is the world’s 14th largest producer of steel and is expected to raise its current production figure of 22 million tons to 55 million tons by 2025.

**16 Projects Worth $5.1 Billion Ready to Absorb Investment: IMIDRO**

In the run-up to a first international conference on mines and mining industries in Iran, the Persian Gulf Mining & Metal Industries Special Zone, an affiliate of the Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO), released the names of 16 projects in the zone which are ready to absorb investment.

The projects have a combined value of $5.173 billion. Production of steel bullions (worth $975 million), establishment of a 1,000 MW power plant (valued at around $600 million) and an aluminium production unit (worth $824 million) are three projects with a sizable share of overall investment.

The announcement came ahead of the first international conference on mines and mineral industries to be held at the convention center of Tehran’s Milad Tower (May 31 and June 1). The Persian Gulf Mining & Metal Industries Special Zone, which is located in the vicinity of the southern port city of Bandar Abbas, holds a number of advantages, among them, access to high seas and transport facilities, customs rebates, availability of necessary infrastructure, including land, water, electricity and telecommunications, as well as an exclusive pier which offers a great opportunity for investment in energy-intensive industries. A number of steel and aluminium plants are already operational in the zone. An expense of land over 514 hectares in area has been dedicated to 16 projects of which four focus on steel and iron ore, three on production of aluminium bullions and downstream industries, two on a 1,000 MW and a 500 MW power plants, one on a desalination plant, another on an export-import pier and the others establishment of workshops for production and repairs of mechanical parts.
New Records Set at Iron-Making, Steel-Making Units in Mobarakeh Steel Company

Two months into Iranian New Year, records have been broken for a second time at the iron- and steel-making units at Mobarakeh Steel Company (MSC). Mohammad Motaghi Rezaei, the manager of MSC’s Steel-making and Continuous Casting Unit, said the Steel-Making and Casting Unit has produced 520,000 tons of crude steel, setting a second-monthly production record so far this year. He hailed the new record as a successful step toward achieving the yearly objectives of the company and an overall increase in steel production in the country. He said in the first month of the year [30 days to April 20] the unit produced 516,492 tons of steel. In the month that followed, production rose 3,502 tons to stand at 520,000 tons.

Production of sponge iron and pellets at Iron-Making unit hit new highs. Rahim Abdi, the manager of Iron-Making Unit at MSC, said Direct Reduction Units 1 and 2 have produced 625,575 tons of sponge iron while the Pelletizing Unit produced 690,520 tons of pellets. “That is a great stride toward the realization of the goals of the company,” he credited the cooperation and harmony of staff at the production, repairs and logistics units for the achievement. The previous record of sponge iron production (613,342 tons) was set in the 30 days to April 20 this year, he said, adding the previous record at the Pelletizing Unit (689,100) was set in April 2014.

Iron ore exports down nearly 70 percent last year

Some 7.5 million tons of iron ore pellets with less than 40 percent purity was exported last year [ended March 20, 2015], registering a 69.29 percent drop over the year before, official statistics released by the Customs Office said. The value of export worth 12-month period stood at $489.1 million, down 67.42 percent over two years ago.

Last year iron ore stood 17th on the list of non-oil exports as far as value was concerned, whereas two years ago it topped the list of non-petroleum exports. According to the Customs Office, each ton of iron ore brought in $100 last year. Iron ore’s share of overall exports stood at 9.46 percent (in terms of value) and 1.37 percent (in terms of value).

The dramatic decline in exports of iron ore saw it lose its top export status to the list of mineral exports and slip below steel and cement. Customs figures suggest that in the last few months of last year, exports of iron ore practically came to a halt. In the final month of the year, only 18,000 tons of iron ore was exported. In the second half of the year, average monthly exports did not go beyond the 22,000 ton mark.

China’s finished steel exports surge 41% in Q1

China’s finished steel exports surged by over 40% in the first quarter of this year, although the growth is slowing down after volumes fell a record high (10.29 million tonnes) in January. During the first three months, China exported a total of 25.78 million tonnes of finished steel, up 40.7% compared with the same period of last year, according to China customs. The surge at the beginning of the year was attributed to exporters storing material in bonded areas in December so that the shipments would still qualify for an export tax rebate. China removed its export tax rebate on certain types of areas in December so that the shipments would still qualify for an export tax rebate. China removed its export tax rebate on certain types of areas in December so that the shipments would still qualify for an export tax rebate.

Meanwhile, Bahman Malakian, the Director of the Mechanical Parts and Equipment Purchase Department, said: “A lot of important and strategic parts of the production line have so far been indigenized at the Local Production Unit of Equipment and Spares Unit at Hormozgan Steel Company, among them Fender gear couplings produced for the first time in cooperation with Paya Negar Parsian Company, domestically-built samples of KSB pumps, a translation piece, and a water box produced respectively by Khavar Rotating Machinery Engineering Company, Italian’s Ebara Kearour Company and the Abouei Industrial Group. Indigenization of the production of some other key parts is on next year’s agenda.”

Experimental Desulfurization Line Launched at Mobarakeh Steel Company

Following an increase in the production of molten steel at Mobarakeh Steel Company, a new desulfurization line has been launched at the company on an experimental basis. With the launch of the new line, the cycle of refining molten steel is completed. That in turn makes it possible to produce different grades of quality steel at Mobarakeh Steel Company. Mehdi M. Abdolrahimzadeh, who is in charge of steel and iron development projects at Mobarakeh Steel Company, said: “In producing quality steel, molten steel is transferred to the ladle furnace from the electric arc furnace in order to undergo metallurgical improvement and temperature adjustment. Later it is channeled to the desulfurization unit which reduces the volume of sulfur in molten steel to less than 10 ppm.” Meanwhile Somay Jafari, who leads the Steelmaking Development Unit at Mobarakeh Steel Company, said desulfurized steel is primarily used to produce B-grade steel which is used in the automobile industry and shipbuilding. E3-grade steel which is used in building transformers and API-grade steel which is used in the production of oil, gas and water pipes and rocks boliers.

He went on to say that in the desulfurization process, first CaS and Ca2C powders are separately transferred by elevators to two 50 m³ silos. The powders are then taken through pipes to 2.5 m1 displacement injection tanks. Nitrogen is used to pump powder to main tanks; in pumping powder from these tanks to the ladle furnace argon in the gas of choice. He added when the ladle is placed on the tilter, CaS and Ca2C powders are thrust through lance with argon at 6 b. At the same time argon is injected through the quick connection to the ladle. That in turn facilitates boiling and eventually results in desulfidization during which CaS is released in the form of slag and gas. Later, the skimmer takes the slag to the slag ladle, Jafari went on to say that for the construction of the desulfurization line, some 200 tons of local and foreign-made equipment has been used. The metal structure weighed 205 tons. The construction project involved 870 m of cementing and 25,000 m of cables. In conclusion he thanked all those who contributed to the project including the staff at the development and operations units, the new contracts office, consultants, Harghara Company and all others who facilitated the project, one way or another.

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Steel Price Decline is Ubiquitous

In the USA, an anticipated flat product price decline has taken hold, with margins in declining year-on-year. The US steel market is no longer a robust market. But steel and scrap prices continue to slide, having experienced a significant decline in the last few months. The source of this decline is primarily the continued drop in demand for steel, which is reflected in the US steel market. Despite efforts to mitigate the effects of the steel price decline, the market remains weak, with prices continuing to fall. The steel industry is facing significant challenges, with the prospects of a continued decline in steel prices.

Steel raw materials

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Steel raw materials

The MBR Raw Materials Index continues to struggle, as, despite an upturn in steel output, demand in real terms is falling everywhere. An increase in steel output is not accompanied by a corresponding rise in steel prices. The steel market is facing significant challenges, with the prospects of a continued decline in steel prices. The steel industry is facing significant challenges, with the prospects of a continued decline in steel prices.

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Russian Steel Demand May fall by 11.5%.

Steel consumption in Russia is expected to fall 11.5% year-on-year in 2015, primarily due to a decline in GDP, according to Sergey Sulimov, cfo of the country’s third largest steelmaker, Magnitogorsk Iron & Steel Works (MMK). Russian crude steel consumption will reach 84.4 million tons this year, down from 94.5 million tons in 2014, he said, adding that this will be accompanied by a 2.1 million ton drop in steel output (from 71 to 69 million tons) and a 2.1 million ton increase in steel exports. The biggest single drop in steel demand — about 19% year-on-year — is expected to occur in Russia’s automotive industry.

The country’s GDP is predicted to drop by 3% in 2015, while industrial production is expected to fall by 1.6% and investments in fixed assets are forecast to decline by 14%, Sulimov said. Russian steel demand is forecast to fall by 5 million tons this year, and steel output by 2 million tons.

Vale Iron Ore Hits New Record

Vale’s iron ore output hit a record high in 2014, at 319.2 million tons. This compares with 298.8 million tons in 2013 and was above the company’s previous estimate for 2014 of 312 million tons. Last year’s total output volume excluded 12.3 million tons of iron ore acquired from third parties and in attributable production of 13.1 million tons at Sambuco — a 50:50 joint venture with BHP Billiton, Vale said.

Vale’s shipments to Cairn India’s Mangalam-2, which started up in the third quarter, are going smoothly, said Arun Misra, Vale’s iron ore chief.

Crude Steel Output Growing

India’s Growing Metals Appetite

The World Steel Association, known as Worldsteel, announced that Iran produced more than 5.36 million metric tons of crude steel in the first four months of 2015, indicating a 4.5% growth compared to the similar period in 2014, Tanah News Agency reported.

Mobarakeh Steel Company (MSC) offered different steel sections in the Iran Mercantile Exchange’s spot market on Monday trading. IME public relations reported

Close to 34,100 tons of hot-rolled C steel section, with the base price of 16,350 rials per kg, and 23,100 tons of hot-rolled B steel section, priced at 16,200 rials per kg, were offered by the MSC on the industrial and mining trading floor.

MSC also supplied 4,500 tons of galvanized steel section G, 5,000 tons of cold-rolled B, and 2,500 tons of tin-plated steel section on the industrial trading floor.

Khomanshadan Metals Company offered 70,000 tons of steel slabs, with the base price of 14,500 rials per kg. Furthermore, Zanjan Zinc Industries Company offered 100 tons of zinc ingot of 99.98-per cent purity, with the base price of 78,000 rials per kg.

Finally, the floor registered the offering of 30 kg of various gold bullions by Mount Gold Complex.

The oil and petrochemical trading floor played host to 26,912 tons of polymers including acrylonitrile butadene styrene, linear low-density polyethylene, high-density polyethylene, polystyrene, and polypropylene. Moreover, the floor witnessed the offering of 57,100 tons of various grades of bitumen, 5,000 tons of vacuum bottoms and 1,500 tons of sulfur.

About 12,500 tons of bitumen, as well as 200 tons of roof insulation were offered on the export trading floor for overseas market. Additionally, the agricultural trading floor recorded the offering of 107,900 tons of corn and 2,385 tons of rice.

Overall, the agricultural trading floor offered 1,900 tons of commodities were offered in IME spot market on Monday trading.

Monthly Trade Volume Up 54% More than 2.1 million tons of commodities were traded in the IME over the one-month period ending May 21 (Iranian month of Ordibehesht) valued at about $940 million, which indicates a 54 and 51-percent increase in trade volume and value respectively. According to the report, around 4.4 million tons of commodities were offered during the period, however, consumers lined up for about 3.3 million tons, and eventually 2.1 million tons were traded.

Close to 878,000 tons of commodities were traded on the industrial and mining trading floor for both local and overseas market to post a 62 and 32-percent growth in trade volume and value respectively. Around 658,000 tons of steel, 200,000 tons of iron ore, 29,000 tons of copper, 16,000 tons of aluminum, 500 tons of metallurgical coke, 400 tons of molybdenum sulfur, 600 tons of zinc, and 21 tons of precious metals concentrates were traded on the floor. In terms of trade volume, aluminum, stainless, copper, iron ore, and molybdenum concentrate posted tangible growth.

India’s Growing Metals Appetite

A ‘Make in India’ campaign is likely to accelerate the country’s demand for metals, and will target greater exports as well as its home markets, reports Kusal Kodagoda.

When Mark Fields, president and ceo of Ford Motor Company, met Narendra Modi soon after he became India’s prime minister in May last year, he wanted to know in what ways Ford could help India. Modi told Fields that he would “appreciate if you could make India a good export hub for Ford.”

Fields recalled the conversation with the prime minister when he was recently in Saudi in Gujarat for the commissioning of the country’s second plant, with an annual capacity of 240,000 vehicles and 270,000 engines. Along with its factory at Mumunimali Nagar, close to Tamil Nadu’s capital city Chennai, Ford in India now has the capacity to produce 440,000 vehicles and 610,000 engines.

Ford’s vision for India is to ‘triple exports’ over the 2015-2016 fiscal to more than 320,000 vehicles in 2014 over the next five years and make it a “global centre of excellence” in India, he told Fields.

Although impacted by economic slowdown, sales of passenger vehicles in India still rose by around 3% to 2,55 million in 2014. Motorcycle sales were up 10% to 16 million. By the middle of 2015, India could be ready with the automobile mission plan for 2016-26 under the Make in India campaign. A consensus is already there in government and industry circles that India’s car market has the potential to grow to 6 to 8 million units by 2020. An important component of the mission plan will relate to the steps to be taken by domestic steel and aluminium producers to meet the increasingly demanding metal quality requirements of the automotive industry.

Automotive tie-ups

Chanda Kochhar, vice-chairman of the Steel Authority of India (Sail), says, “No doubt, leading steel groups in the country have made good progress in improving the quality of automotive steel, both flat and long. At the same time, I have no hesitation in admitting much more needs to be done on the quality and production innovation front. This is leading Sail to explore the possibility of tie-ups with automotive steel leaders ArcelorMittal and Posco.

In fact, some Indian steel producers have already taken that path to their advantage. Tata Steel is in a technology and equity alliance with Nippon Steel &Sumitomo Metal (NSMSC) and in September 2014 started producing, for the first time in India, automotive-grade continuous annealed cold-rolled sheets.

JSW has built a 2.3 million ton cold rolling mill at Vajramangar in Karnataka with technology from JFE Corporation of Japan for making high-end automotive steel. JSW’s 1 million ton plant at Salem makes auto grade long products. JFE has the second largest equity ownership in JSW Steel after the Jindal family.

Verma comments: “China saw the merit of partnerships when it allowed ArcelorMittal to tie up with Hiranandani to build a 1.5 million tonne high-strength steel plant in Hiranpur province. Through this joint venture, ArcelorMittal got access to the world’s fastest growing auto market and China secured highly advanced auto steel technology. Technology-rich foreign steel companies will be seeking a presence in India, where growth in automotive sales will be next only to China.”
Indonesia Hits Rough Waters

Juan Wulik-MIB

A wave of optimism spread out of Indonesia in July last year when former Jakarta governor Joko Widodo was confirmed as the country’s new president.

Promising to boost infrastructure spending and fight corruption, Widodo – popularly known as Jokowi – was praised in international news reports as a business-friendly politician who could put the local economy back on a sustainable, high-growth path.

Six months after he took power at the end of October, however, Indonesia continues struggling with a high current-account deficit that has recently hit the country’s currency. A major devaluation of the rupiah over the past few months has frozen consumer spending, leading to falling sales of cars and other products.

In order to narrow the deficit levels and strengthen its currency, the government has been planning further import restrictions in a market already considered as one of the most protected in Southeast Asia. In the case of steel, the country’s industry ministry has sent out a proposal to increase import duties for 130 tariff codes (out of 170) for finished products up to a minimum of 15% from the existing levels—which mainly range from zero to 12.5%. The proposal has been submitted to the finance ministry and is expected to be implemented in the second half of the year. There was no change requested for duty-exempt imports from ASEAN countries.

A number of safeguard and anti-dumping measures on steel products have also been launched in recent months. Even though Jokowi has already taken a few positive measures such as removing fuel subsidies in the country, his major challenges in boosting the economy were particularly highlighted during an Asian business forum in the middle of April in Jakarta in which he addressed foreign investors in a rare speech in English. “Please come and invest in Indonesia.”

Because where we see challenges, I see opportunity,” he said. “And if you have any problem, call me.”

Deputy Minister Unveils 10 Mining Mineral Projects

D eputy minister of industry, mine, and trade Mehdi Karbasian has unveiled ten major projects in the mining and mineral industry, which are scheduled to become operational within the current Iranian calendar year (ended March 20), saying $372 million has been provided in funding for the projects so far, IRNA reported.

“Sponge iron facilities in three steel plants, an antimony facility in the southeastern Sistan and Baluchestan Province, and doubling the capacity of the pier in the Persian Gulf Special Economic, Industrial, and Mining Zone are among the projects to be implemented this year,” said Karbasian, who is also the chairman of executive board at the Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO), in a presser held on Wednesday.

Another project is the South Aluminum Complex in Fars Province’s Lamerd. The aluminum facility will be developed in several phases in the course of 3.5 years to produce 300,000 metric tons of ingots annually. There are currently three major aluminum producers in the country including Imam in the central Markazi Province as well as Almahdi and Hormozan in the coastal province of Markazi. The three have a combined production capacity of 400,000 tons per annum.

At the presser, Karbasian also referred to the National 2025 Vision Plan based on which the industrial sector is expected to annually produce 1.5 million tons of aluminum per year. Also in line with the Vision Plan is the implementation of the so-called “Seven Provincial Steel Projects.” The plan envisions an annual 55-million-ton crude steel output by the next decade. This is while by the end of the 6th Five-Year Economic Development Plan (2016-2021), the steel production capacity should reach 40 million tons from the current 22 million, the IMIDRO chief noted.

The seven steel projects had been suspended since 2006 due to funding problems but the incumbent administration revived them 18 months ago. Three out of seven will produce sponge iron (technically known as direct-reduced iron or DRI) this Iranian year as the prerequisite to steel production. China had pledged to finance the projects through Iranian assets in China, however the financing has been delayed for a long time until recently before the IMIDRO convinced the Chinese side to accelerate the funding process.

Last week the first tranche of the fund was deposited. Officials say the equipment and machinery for the steel plants are either Chinese or European and the plants will fully operate within the next three years.

Karbasian went on to say that the steel plants’ shares will be sold to the private sector based on prices set by judiciary experts. The IMIDRO will maintain a share of between 20% and 35% in each project, while the private sector will be able to own the rest.

“IMIDRO will lend its backing to anyone who wishes to invest in the mining and mineral industry,” he remarked. Nonetheless, one serious stumbling block in the way of new investments is the issue of mining royalties and usufructs. The parliament and the administration decided last year to increase the royalties, government rights and the mining usufruct to 25%. However, according to Karbasian, the industry ministry has agreed to revise the decision to decrease the royalties. He also says the ministry is ready to help major iron ore mines to pay off their royalty debts.

During the presser, the deputy industry minister also highlighted the ministry’s determination to end sales of unprocessed minerals within the next two years. “By the next 22 months, new iron ore concentrate and iron ore pellet facilities will start production and the mining sector will not have to export raw minerals because the entire mineral production will be domestically consumed,” Karbasian noted.

Tehran will be hosting an international mining conference on May 31. The 2-day Iran Mines and Mining Industries Summit will be held in collaboration with 284 domestic firms and will focus on mining and its role in development and employment.

Mineral Exports, at $6.5b

About $6.5 billion worth of ores and mineral products were exported over the past Iranian year (ended March 20), Eghtesad-News quoted deputy minister of industry, mine and trade, Jafar Sarqini as saying.

The deputy minister added that the export figure has been achieved despite the fact that the mining sector is far from its rightful position due to lack of funds.

According to Sarqini, in the course of more than two decades, the Geological Survey of Iran (GSI) implemented up to 200,000 linear kilometers of aerial explorations by March 20, 2013. “The figure exceeded 50,000 last Iranian year and we have targeted 300,000 linear kilometers for the current year,” said the official.

The vast exploration operations were implemented last year over the eastern half of the country which led to the discovery of 250 million tons of iron ore reserves as well as 200 million tons of coal. Officials in the GSI, industry ministry, and the Iran Mines and Mining Industries Development and Renovation Organization (IMIDRO) have announced that the operations will focus on western areas this year.

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The ferrous scrap market is being weighed down by low iron ore prices, poor steelmaking growth and international trade dynamics. Myra Päkkanen reports that there is not much immediate relief in sight. The global ferrous scrap market not only started a difficult start in 2015, but business conditions are likely to remain challenging for much of the year due to lackluster demand growth, soft prices and strong competition from iron ore.

"With iron ore prices and hot metal production costs not likely to pick up, the negative scrap price trend could continue for a while," maintains Atlita Widnell, senior metals analyst with Metal Bulletin Research. Some other industry observers are similarly downbeat, but predict that the market could start seeing some light at the end of the tunnel in the second half of 2015, they say.

This, according to Christopher Plummer, managing director of Metal Bulletin Research, West Chester, USA – so it would require a significant change in trade dynamics. Myra Päkkanen reports that there is not much immediate relief in sight. The global ferrous scrap market not only started a difficult start in 2015, but business conditions are likely to remain challenging for much of the year due to lackluster demand growth, soft prices and strong competition from iron ore.

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