

CHEMISTRY THAT MATTERS™



# GLOBAL FORUM FOR STEEL EXCESS CAPACITY

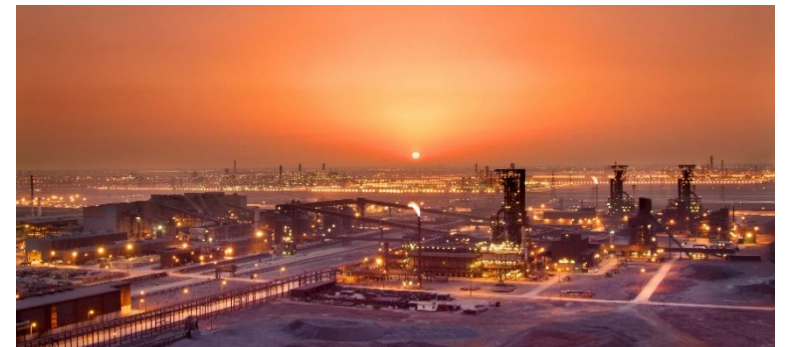
SABIC, HADEED

22 September 2020



# SABIC HADEED BUSINESS PROFILE

## SABIC HADEED AT-A-GLANCE



1983

Hadeed Products  
Commercialization



> 100 MMT

Total Production since  
Commercialization



24

Production Lines, fully  
integrated facilities.



5.8 MMT

3.8 MT Long Products  
2.0 MT Flat Products



160

Global patent  
filings



≈10

New products each year, with  
State-of-Art R&D Center

## OUR VISION

# TO BE THE PREFERRED MANUFACTURER AND SUPPLIER OF STEEL PRODUCTS IN THE LOCAL AND REGIONAL MARKETS

We will achieve this by collaborating with our customers, helping them achieve their ambitions. When they grow, we grow together.



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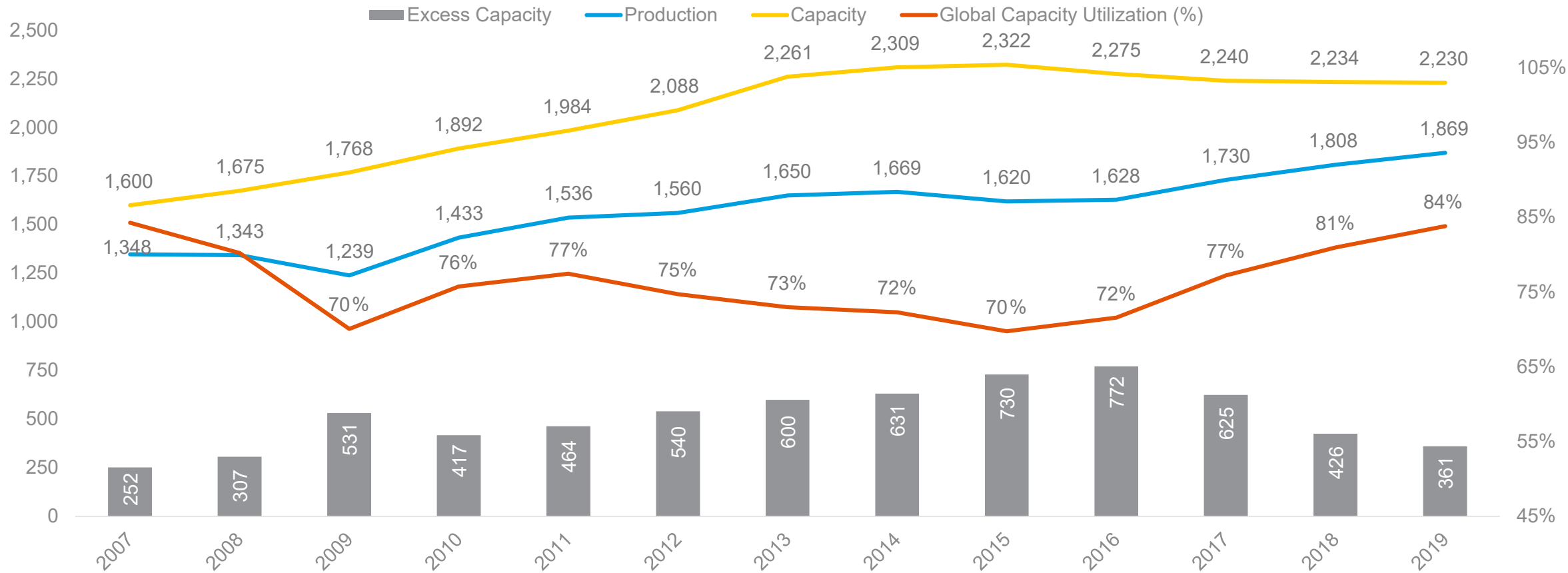
# GCC STEEL CAPACITIES

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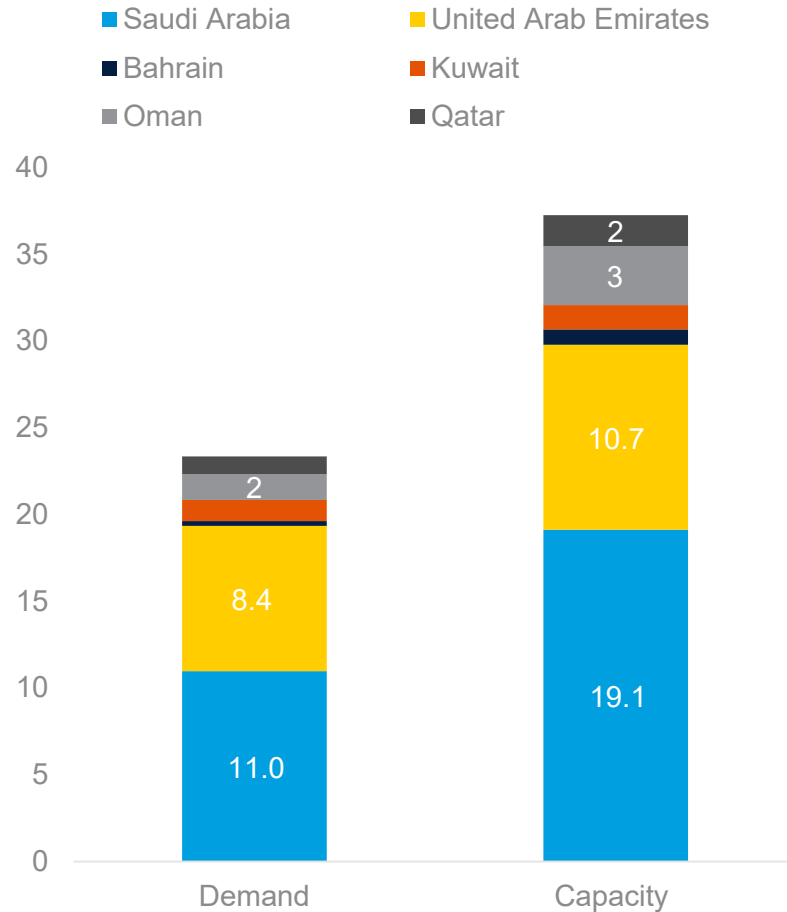
THE CONTINUES GLOBAL EFFORT TO IMPROVE CAPACITY UTILIZATION HAS REDUCED THE NEGATIVE IMPACT ON THE STEEL INDUSTRY. HOWEVER , GCC STEEL MARKET IS STILL SUFFERING FROM THE EXCESS CAPACITY.

Global Annual Steel Capacity and Production (million tonnes)

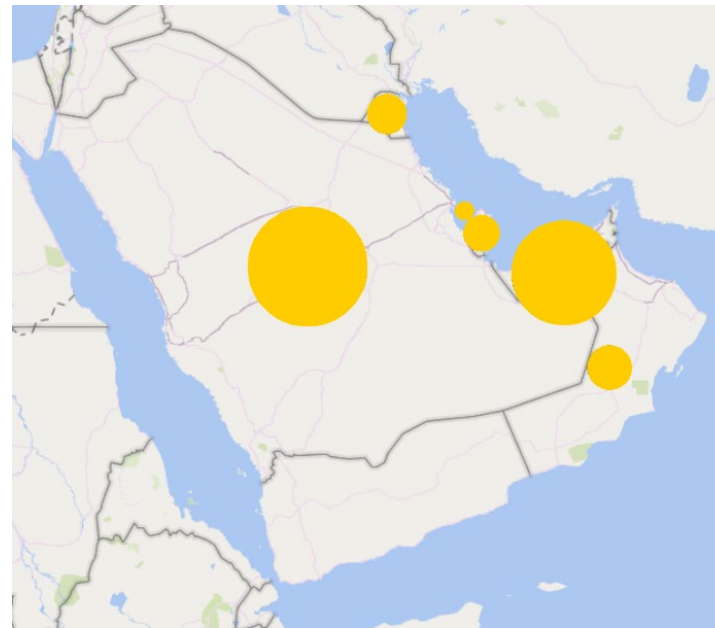


THE GCC STEEL CAPACITIES HAVE REACHED TO AROUND 37 MMT IN 2019, WHILE THE DEMAND IS 23 MMT (62% OF ITS CAPACITIES).

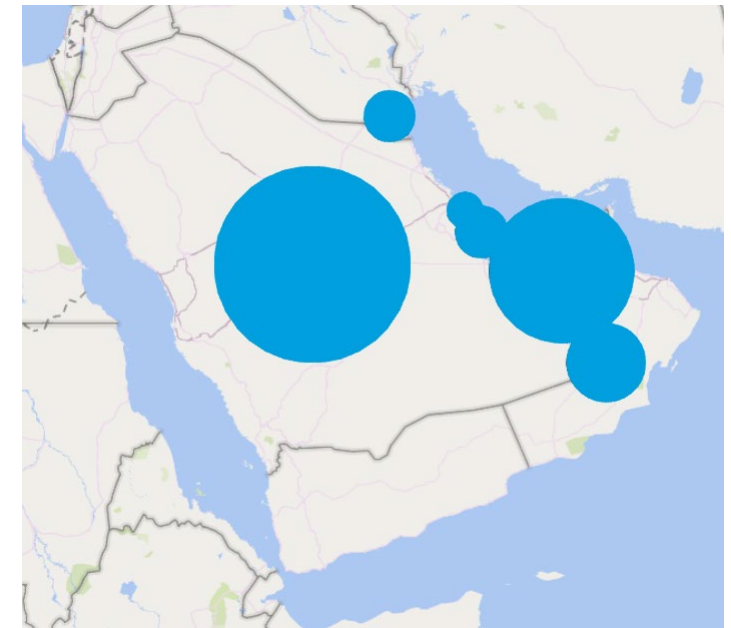
## GCC Steel Demand And Capacity (Million Tonnes)



GCC Demand 23 MMT



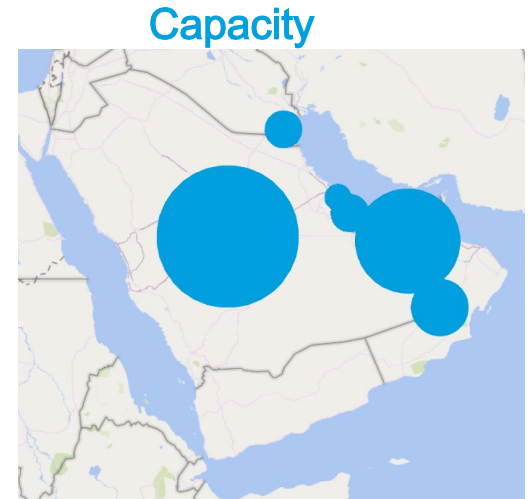
GCC Capacities 37 MMT



## THE INVESTMENTS AND EXPANSIONS DURING THE LAST DECADES IN THE STEEL SECTORS HAVE RESULTED IN HUGE EXCESSCAPACITY.

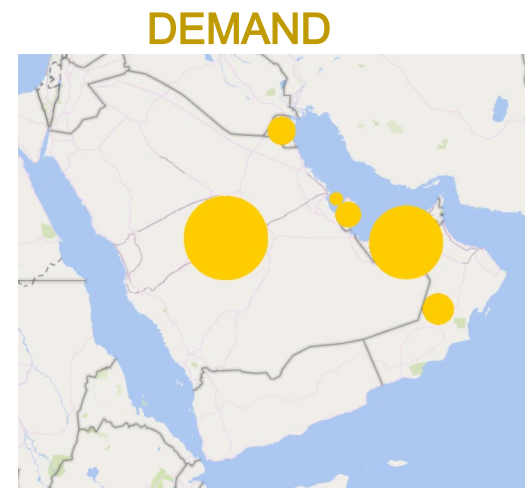
### GCC Capacity Status :

- GCC excess capacities almost double the demand.
- The GCC steel demand has declined around 22% for the last five years .
- Long products segments are 80% of GCC steel capacities.
- Overcapacity is the main issue affecting long product segments.
- Capacities utilization for GCC rebar and wire rod are around 55 %.
- Flat products are suffering from overcapacities in HDG and PPGI.
- The capacities utilization for CRCG and PPGI are 30 to 40 %.
- Steel import has further deteriorated the situation in GCC market.



### Interim solutions :

- Enhancing data transparency is required to better address the global overcapacity issue.
- Accelerate reduction of the global overcapacity through enforcing stringent environmental polices for green steel.
- Governance of the protection policy in order to promote free trade and avoid the outflow for excess capacities into developing countries.
- Apply import quota policy to limit export to only sizes and grades not produced by regional manufacturers.
- Establish governments' polices that promote investments into value added products.
- Suspend the export incentives to developing countries that are suffering from overcapacities.







THANK YOU

