

Al Gaith Holdings

An integrated Iron and Steel Project in Sahar Industrial Zone

Second fortnight of January 2005 was the historic for Sahar Industrial Zone which saw the maiden steel plant proposal inked. Signature was made in Muscat, Oman Sultanate, of a contract for setting up of an integrated iron and steel project in Sahar port region at a total cost of 750 million US dollars. The contract was signed on 17.1.2005 by the Omani Minister of Economy Sheikh Mohammad Ali Al Maki from Omani side and by Mr. Al-Gaith, Chairman of the Emirates Holding Al Gaith Company on behalf of this company.

The project will be executed on three stages extending until 2010. It is hopeful that production of the first stage will start in the first quarter of 2007. When the three stages are completed the annual production capacity of this project will reach 4 million tons of iron ore pellets and hot-briquetted iron. It will have 588 workers and will consume 0.33 million cubic meters of natural gas for 20 years.

The first stage named Hamil Steel will consist of one iron ore direct reduction unit by using the natural gas to produce 700 thousand tons of hot

direct reduction iron, (HDRI) and hot briquetted iron (HBI) which can be brought up one million tons per year, pointing out that this unit is connected with the billets production unit with a capacity of 500 thousand tons per years as well as with the steel slabs production unit with a capacity that comes up 800 thousand tons per year. Operations of transporting the hot sponge iron between the direct reduction units and the hot briquetted iron and billets will conducted by the hot transport process. Thus Hamil Steel is considered the first mill in the world using this technology.

The project has also been designed to be suitable for the horizontal and vertical expansions. All supporting services and the infrastructure have been designed to absorb doubling of the production capacity of various steel products. Many multiple opportunities for the manufacturing industries will arise from this project such as mills for producing reinforcing steel bars, steel wires, steel sections, steel flat products, stainless steel, pipes fittings, domestic and electric appliances, iron – based ingots and

construction tools.

Al Gaith Group had some earlier time in 2004 established partnership with one of the mills in Kerala State to export the hot-briquetted iron. It is reported that the Indian Company owning a foundry in Ajman which is Emirates Techno-casting, believes that manufacturing the hot-briquetted iron in the Gulf and shipping it to India would perhaps be cheaper than buying the expensive sponge iron from Indian producers.

The equipment which the project will include are : direct reduction iron midrex unit, electric arc furnace, ladle furnace, a system for using the dust removal technology, continuous caster.

This mill will be so designed as to be hot operated at the side of the direct reduction iron to be produced by a new midrex hotlink module located on the same site in the mill allowing to charge the direct reduction iron into the ladle furnace and saving close to 25% of the electricity costs and reducing consumption of refractories and electrodes.

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