



Turkish steel associations express optimism at Kallanish conference

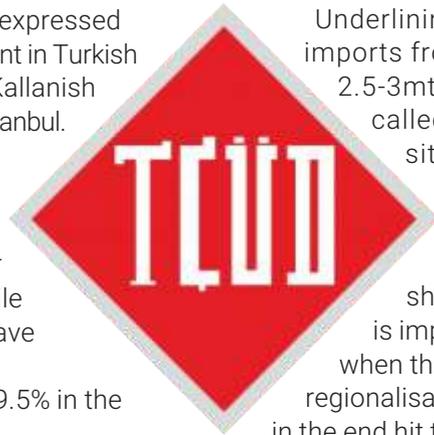
Turkey's major steel associations expressed their optimism over an improvement in Turkish steel demand after 2020 at last week's Kallanish Euro-Turkey-CIS Flat Steel Conference in Istanbul.

Turkish Steel Exporters Association (CIB) board member Asiye Ay said Turkey, with its growing exports this year, was the sixth-largest steel exporter in the world in the first half of 2019. "While production, consumption and imports have decreased by -10.5%, -27.7% and -19.6% respectively, exports have increased by 9.5% in the same period," she told delegates.

Flat steel accounts for 27% of Turkey's steel exports, of which 60% is hot rolled coil and 26% is coated coil. In the nine months through September the EU was the largest flats export destination at 3.021 million tonnes, followed by North Africa with 395,000t and the Middle East with 297,000t.

While commenting on a question regarding Turkish steel imports, she said that downstream producers are still suffering from high prices and lack of certain specifications from local feedstock suppliers.

Turkish Steel Producers Association (TCUD) general secretary Veysel Yayan, meanwhile, said the Turkish steel industry is used to managing economic crisis and local demand will increase in 2020.



Underlining the imbalance in Turkey's flat steel imports from and exports to the CIS, which are 2.5-3mt and only 75,000t respectively, he called for immediate action to change this situation.

In reference to new restrictions from the USA and EU against free and fair trade, he added that the steel industry should not be subject to political issues. "It is impossible to keep other products global when the steel industry is under threat from regionalisation," Yayan commented. Trade wars will in the end hit the initiators."

Gökhan Demiruz, Chairman of Turkey's Association of Flat Steel Importers and Manufacturers (Yisad), said that Turkey will catch last year's production volumes with only a small difference. By 2030 Turkey's flat steel consumption will reach 30 million tonnes.

"This is a temporary condition and after 2020 we will start seeing improvement in the steel industry," he commented. "Low mortgage interest rates will support the improvement. As for pricing, we cannot be independent from global prices. We have to follow the developments starting from scrap raw materials." Regarding trade restrictions, he said he is not against protectionism such as anti-dumping if it is applied after fair investigations.



Despite the positive decisions taken by the Egyptian government to re-price natural gas, it did not whet the dealers' appetite at the Egyptian Exchange (EGX), where it witnessed a weak performance during the last week's trading

Egypt- Lower inflation and interest rates herald green week on EGX

sessions. However, some listed companies, such as Ezz Steel, Al EzzDekheila Steel Co (EZDK), and Egypt Aluminum, said they benefitted from the recent government decisions.

The re-pricing of natural gas included reducing the sale price of all three types of petroleum products in the local market by 25 piasters per liter, and reorganising the non-commercial risk insurance fund, known as the

Investor Protection Fund, whereby the fees on trading operations were cut by 50%.

With the Central Bank of Egypt (CBE) announcing that the annual inflation in Egypt has dropped to 2.6% in September, and its expectations of lower interest rates, the EGX derived more positive news that should contribute to boosting volumes and confirming the upward trend of the market.