

SIIS: Saudi Arabia implements massive flat steel expansion

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The versatile industry of Saudi Arabia with the hydrocarbon sector at its pinnacle requires value-added and niche flat steel products. Being focused on the implementation of Vision 2030 goals, the Kingdom has the ambition to substitute the import flow of these products with its own capacity.

To substitute the import flow and allow local producers to take advantage of the forecasted growth of flats consumption in the Kingdom, the investments in the sector are about to reach their peak with Saudi Arabia being on the frontline of the market transformation. The Kingdom is implementing three ambitious capacity investment projects in the steel sector with the total potential of 6.2 million t. Specifically, the initiatives envisage the launch of a 1.2 million tpy plate mill as well as 4 million tpy HRC and downstream flats production facility, Metal Expert learnt during the 2nd Saudi International Iron and Steel Conference (SIIS). “These projects will be not only for Aramco’s needs but for the whole world. However, Aramco will consume the lion’s share, as the company needs a lot of steel, HR plate specifically, which we have to import from the outside,” Fahad Al Abdul Kareem, vice president of the Industrial Services of Aramco, noted commenting on the plate mill project. The total investments in the above-mentioned projects are assessed at SAR 35 billion (\$9.3 billion; \$1 = SAR 3.75).

The initiatives are not just dreams, they are about to be implemented shortly. In cooperation with Essar, the National Committee for Steel Industry at the Council of Saudi Chambers reported progress in the development of one of them. The future plant will have 3.3 million tpy HRC capacity, plus 500,000 tpy of CRC production and 160,000 tpy of tinplate. The start of construction is scheduled for Q1 2023.

With the massive expansion of the flat steel potential, the Kingdom is laying a strong fundament for future industrial growth. “The key pillars of such approach are developing of different industrial clusters, which are providing new business opportunities for Saudi steelmakers because of massive localisation efforts,” a participant of the SIIS conference told Metal Expert.