

Iran's steelmaking on track of development

Reza Abesh Ahmadlou
Staff writer

OPINION
EXCLUSIVE

Iran has a long history of steelmaking, with the industry being one of the largest in the Middle East. Since 2019, the steel industry in Iran has undergone significant changes, with new investments and government initiatives aimed at improving its competitiveness.

One of the key developments in the Iranian steel industry since 2019 has been increased investment in the sector. Several new steel plants have become operational, with the government offering incentives such as tax breaks and low-interest loans to attract investment.

One such project is the Sangan Iron Ore Complex, which is a joint venture between an Iranian company and a Chinese steelmaker. The project aims to produce 10 million tons of iron ore concentrate per year, with a total investment of \$2.3 billion.

Another significant development in the Iranian steel industry has been the establishment of partnerships with foreign companies.

In 2021, Iran signed a memorandum of understanding (MoU) with Russia's Gazprombank to finance steel projects in the country. The MoU also included provisions for technology transfer, with Gazprombank providing technical assistance to Iranian steel companies.

The Iranian government has also launched initiatives aimed at improving the competitiveness of the country's steel industry. Among them is the "National Steel Project," which aims to increase Iran's steel production capacity to 55 million tons per year by 2025.

The project includes plans for the construction of new steel plants and the modernization of existing facilities, as well as measures to improve the quality of steel.

The global economic slowdown caused by the COVID-19 pandemic has had a negative impact on the steel industry worldwide, including in Iran. However, the Iranian government has taken measures to support the industry, including providing low-interest loans and reducing export taxes on steel products.

Despite the challenges posed by US sanctions and the COVID-19 pandemic, the industry has shown resilience and is expected to continue to grow in the coming years.

Iran up to ninth in world ranking of steel producers in January



IRNA

Iran moved up one position to ninth in the world's ranking of largest steel producers in January, according to figures by World Steel Association (worldsteel).

The figures covered in a Thursday report by IRNA showed that Iran had produced a total of 2.7 million tons of raw steel in January.

Worldsteel figures showed that Iran's steel output had increased by 27.7 percent from January 2022, the largest increase reported

by the top 10 steel manufacturers in the world, Press TV reported.

Only Iran and China has reported year on year increases in production in January with other eight producers reporting declines in output, showed the figures.

Iran was the world's 10th largest steel producer in December after it had moved up for a first time to the seventh position of the global ranking with a record output of 2.9 million tons in November.

Steelmakers in Iran started to post historic rises in output as of mid-summer last year. Figures by state metals and mining company IMIDRO released at the end of August showed Iran's steel production had risen by 65 percent compared with August 2021.

A global crunch for steel because of the war in Ukraine has caused a major increase in the number of orders placed for Iranian-made steel in Europe. As announced by the Ira-

nian Mines and Mining Industries Development and Renovation Organization (IMIDRO), the country's export of steel ingots increased by 25 percent in the past Iranian year 1400 (ended on March 20, 2022), from the preceding year.

The IMIDRO's data put the country's annual steel ingot exports at 7.678 million tons in the past Iranian year, and at 6.162 million tons in its previous year.

The Iranian Steel industry has been constantly devel-

oping over the past years against all the pressures and obstacles created by outside forces like the U.S. sanctions and the coronavirus outbreak that has severely affected the performance of the world's top producers.

According to the latest report released by the World Steel Association (WSA), Iran's crude steel production increased by eight percent in 2022 when the production by the world's top 64 steelmakers declined by 4.2 percent.



IRNA

Iran eyes \$2b worth of dairy exports to China until 2025

Iran expects to earn some \$2 billion from exports of dairy products to China in the next two years as part of recent bilateral agreements that will lead to an increase in Iranian agrifood exports to the East Asian country.

Iran's Agriculture Minister Javad Sadatinejad

said that the country had secured an agreement with China under which Iranian dairy companies can launch exports to the country for a first time, according to Press TV. Sadatinejad said the agreement was finalized during a visit last week by Iranian President Ebrahim Raeisi to China

and was part of a larger food diplomacy understanding to expand agriculture cooperation with Beijing.

He said China will also start importing apple from Iran under the deal signed last week, adding that some 100,000 tons of Iranian apple shipments will be exported

to China under a first phase of the agreement. The minister said Iranian agrifood exports to China had reached some \$350 million in the 10 months to late January, adding that the figure was a fivefold increase compared to exports figures reported four years ago.

Iran's Saipa signs €450m deal to start car exports to Russia

Iran's second-largest carmaker Saipa finalized a contract to launch exports to Russia amid efforts by Iranian automotive companies to expand their presence in the Russian car market nearly a year after Western brands left the country because of the sanctions over the Ukraine war.

Saipa CEO Mohammad Ali Teymouri and businessmen from Russia signed the €450 million contract in a ceremony in Tehran, according to a report by Iran's Trade Promotion Organization (TPO).

The deal will enable Saipa to supply 45,000 cars to Russian customers, said the report, reported Press TV.

The signing of the deal comes some six months after Iranian carmakers attended the MIMS Automobile Moscow 2022 and reached initial understandings with Russian trade partners for exports of cars to the country.

TPO head Alireza Peymanpak, a deputy trade and industry minister, was present in the Wednesday ceremony where the deal between Saipa and Russian importers was signed.

Peymanpak said Iranian carmakers have a good opportunity to increase their presence in the Russian car market which he said is worth around \$20 billion.

He said Iranian and

Russian carmakers are planning to launch joint manufacturing projects in Iran, adding those projects will lead to a major increase in exports of cars and parts from Iran to Russia.

Car manufacturing in Iran increased by 25 percent during the first 11 months of the current Iranian year (March 21, 2022-February 19, 2023), as compared to the same period of time in the past year, according to the data released by the Ministry of Industry, Mine and Trade. Based on the ministry's data, over 1.126 million vehicles were manufactured in the 11-month period of this year. It should be noted that



the officials of the Industry, Mining and Trade Ministry have repeatedly emphasized that car production will reach 1.6 million vehicles in the current year, however, car production this year

is almost 30 percent behind the projected schedule.

As reported, the ministry's auto manufacturing target for the next Iranian year 1402 (to begin on March 21) is 1.8 million vehicles.