

Aluminum & Fabricated Metals Sector in UAE

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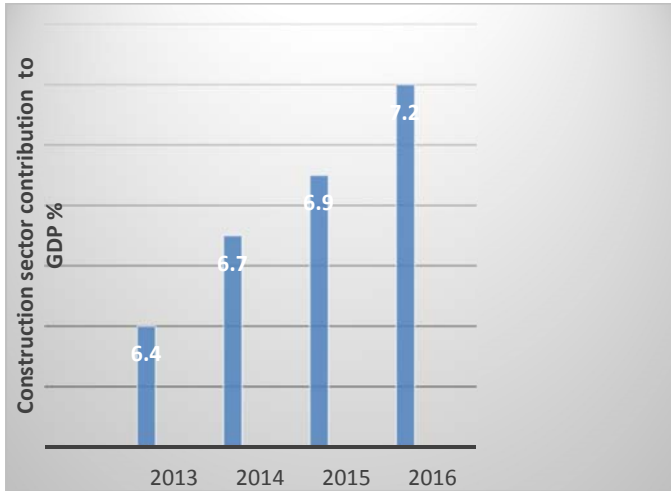
Summary

- The construction sector is one of the leading sectors in Dubai economy, it has maintained a contribution to GDP of around 6.8% over the period 2013-2016
- **The Aluminum & Fabricated Metals** sector is one of the six focus sectors of Dubai Industrial Strategy
- The capital investment in the metal fabrication sector in UAE is around 7.2 Billion AED in 2016 according to Ministry of Economy sources, out of which 12% is foreign capital and 88% local and GCC capital
- Around 30 companies in Dubai are currently manufacturing steel reinforcement bars, aluminum extruded profiles and aluminum rolled products. These industries represent the basic intermediate metal downstream industries in Dubai and provide feedstock for a larger number of end user metal fabrication industries and workshops, the output of which mostly target the construction sector
- Exports of construction materials reached around 10 Billion AED in the first 3Q 2017 while re-exports reached more than 5 times exports during the same period, indicating a high potential for conversion of re-exports to exports
- Construction materials exports Jan-Sept 2017 consisted of Articles of Iron & steel(18%),Electricals(17%),Copper(16%),Aluminum(15%),Plastics(12%),Iron & Steel Rolled Products(9%),Paints(6%),Wood(1%),Cement & stones...(1%)
- Articles of iron & steel electricals, copper and aluminum are the leading exports of construction materials from Dubai, among them, they account for 66% of construction materials export value
- The export markets span a wide geographical spread including Middle East, Asia, Europe and USA
- Steel rolled products, steel fabricated products have the highest market diversification MD, aluminum, and copper products have comparatively the lowest market diversification

- **Steel Structures,, Aluminum Structures ,Reservoirs, and Steel Scaffolding** have high potential export opportunities mostly in regional markets
- For SME manufacturing **Threaded screws & bolts, Flexible Metal Tubing** find good market in the Middle East and Africa

1. Construction Materials Sector Strategic Position

The construction sector in Dubai has been and still one of the top contributors to Dubai Economy. It has contributed about 7% of total GDP in Q1 2017, and its contribution was maintained at an average of 6.8% for the period 2013-2016.



Aluminum & Fabricated Metals sector is one of the six focus sectors of Dubai Industrial Strategy. Its contribution to manufacturing GDP is estimated at around 9% and forms one of the major manufacturing industry subsectors.

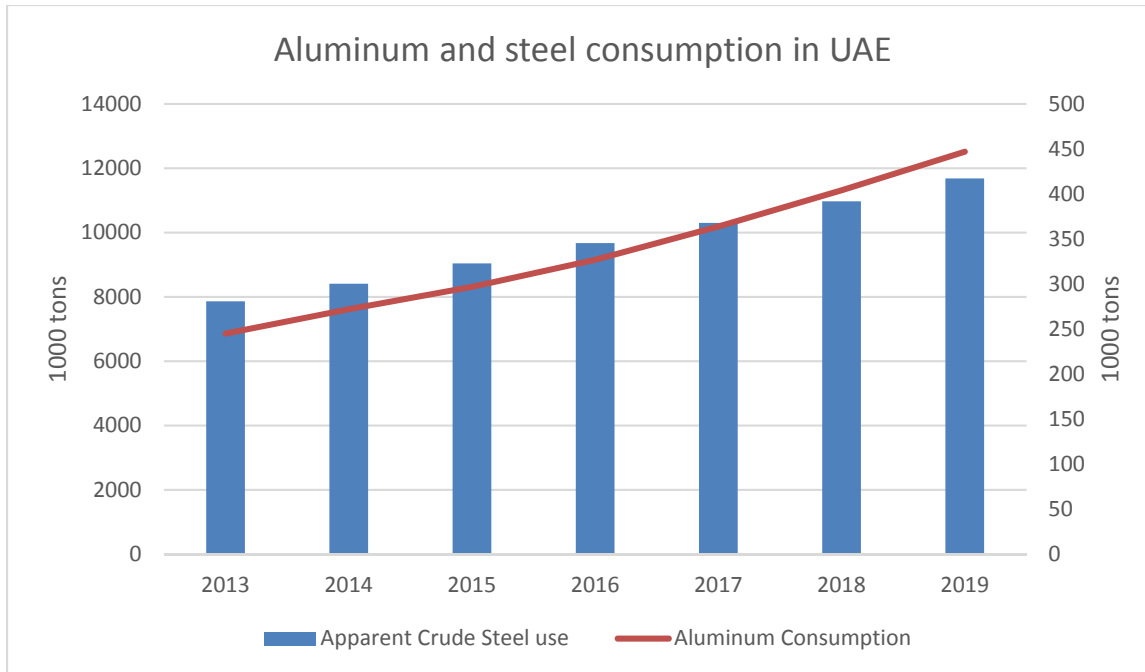
As part of Dubai Industrial Strategy implementation program, a special team is working to develop initiatives to boost the Aluminum & Fabricated Metals sector growth in the following areas:

- > Dubai JV with semi-finished products manufacturer
- > Aluminum Local Content Strategy
- > Land Lease Subsidization
- > Financing Aluminum SME Expansion
- > Aluminum Scholarship Programs
- > Aluminum Training Institutions
- > Export Credit Support

- > Aluminum Promotion
- > Dubai Aluminum Association
- The Aluminum & Fabricated Metals sector output includes industrial, household and construction products, among the latter, aluminum, iron & steel, and copper are the main products
- Aluminum smelting, the largest and pioneer industry in UAE and the GCC, is the basic industry that spins off downstream aluminum fabricated construction materials with higher value added like aluminum profiles and sheets, while Emirates Steel industry is the backbone for the steel industry in UAE, manufacturing steel billets, the feedstock for steel mills producing steel rebars and similar materials used widely as construction materials

2. Domestic Market

- **Steel and Aluminum are the top two metals used for production of construction materials**
- **Crude steel production and aluminum smelting are the basic industries producing billets used in further downstream industries... The basic upstream aluminum and steel industries operating in UAE are few, but the downstream industries number is very large, giving this sector the importance of a high economic impact**
- **Steel consumption at intermediate level is estimated at around 10 million tons in 2017 while aluminum final consumption is estimated at around 400,000 tons**



Source BMI

3. Construction Materials Manufacturing Companies in UAE

- Crude steel production, mainly from Emirates Steel, provide the feedstock for the steel fabrication downstream industries. The current annual domestic production of crude steel in UAE is estimated at 3.1 Million tons
- The capital investment in the metal fabrication sector in UAE is around 7.2 Billion AED in 2016 according to Ministry of Economy sources. out of which 12% is foreign capital and 88% local and GCC capital

	# of licenses	Investment AED			
		less than 1 million	1-10 million	10-50 million	More than 50 million
Fabricated Metals	1171	786	280	69	33

ME

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intermediate metal downstream industries in Dubai and provide feedstock for a larger number of end user metal fabrication industries and workshops, the output of which mostly target the construction sector

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4. Foreign Trade

- Exports of construction materials reached around 10 Billion AED in the first 3Q 2107 while re-exports reached more than 5 times exports during the same period ,indicating a high potential for conversion of re-exports to exports

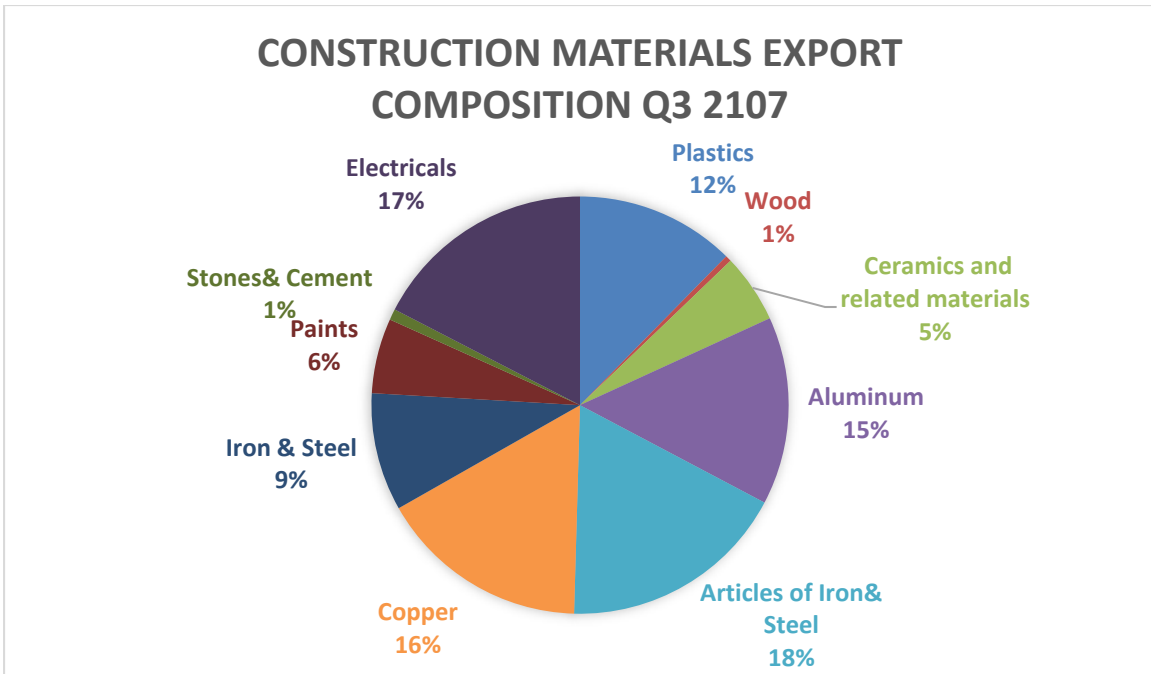
Trade Profile

Construction Materials			
	Q3 2016 AED	Q3 2017 AED	Growth %
Exports	9,723,968,917	10,503,588,310	8%
Re-exports	55,379,272,300	58,571,722,565	6%

Source: Dubai Customs

Exported Products:

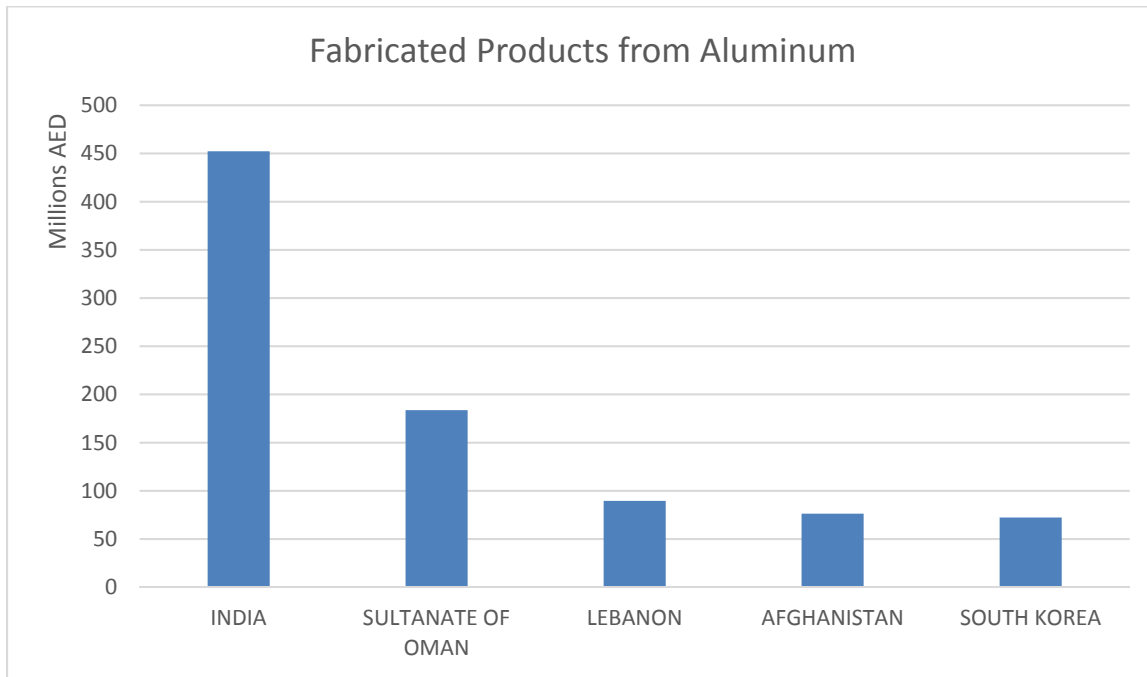
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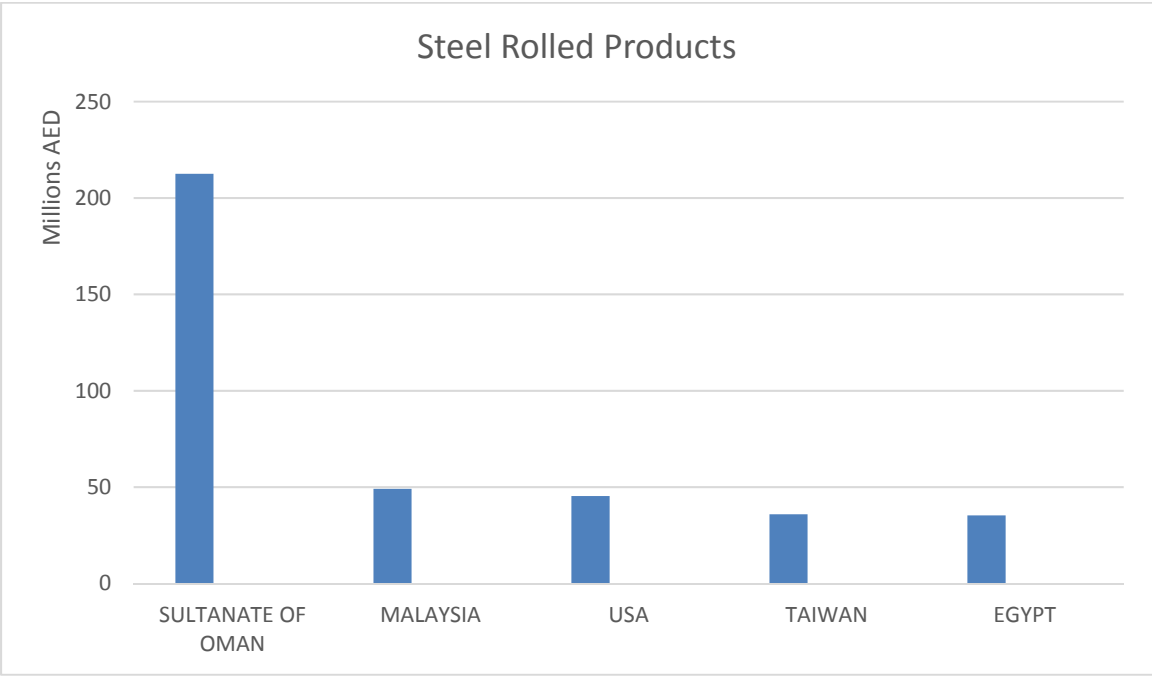
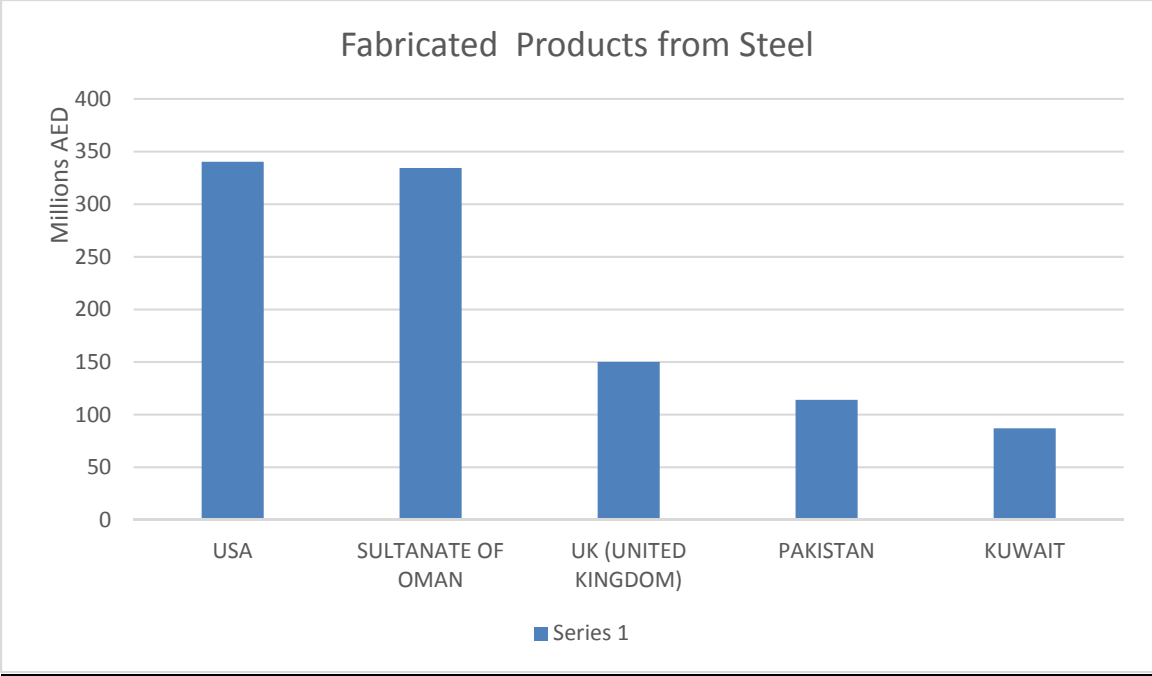


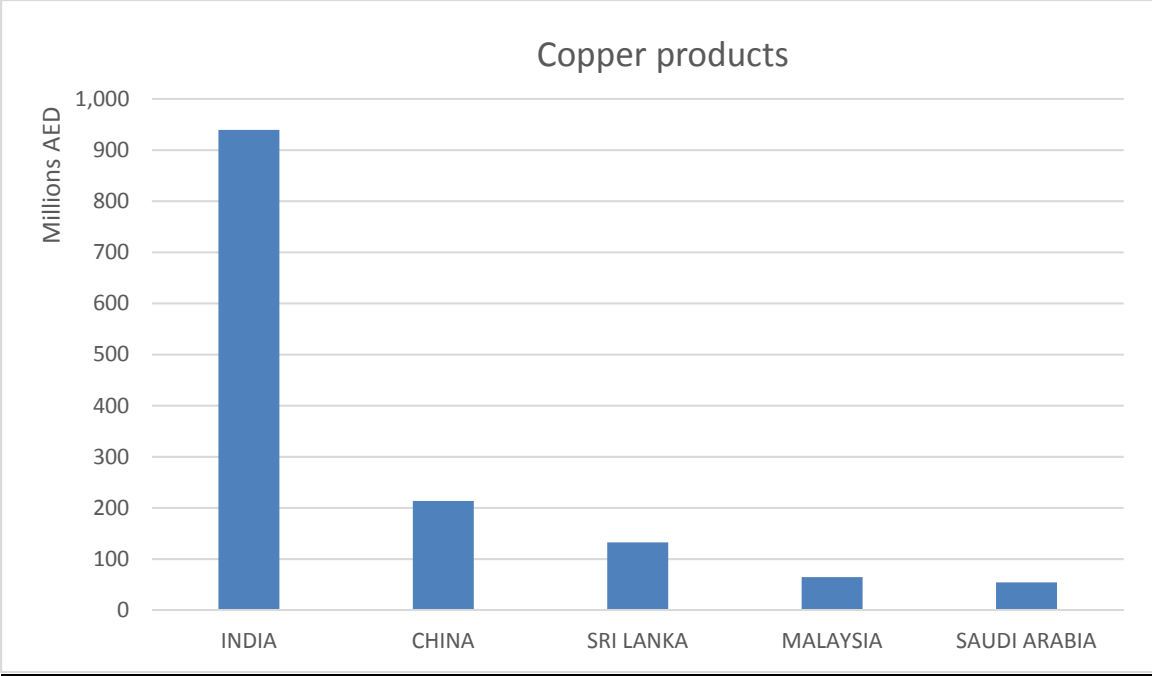
Source: Dubai Customs

Export Markets

The export markets span a wide a geographical spread including Middle East, Asia, Europe and USA





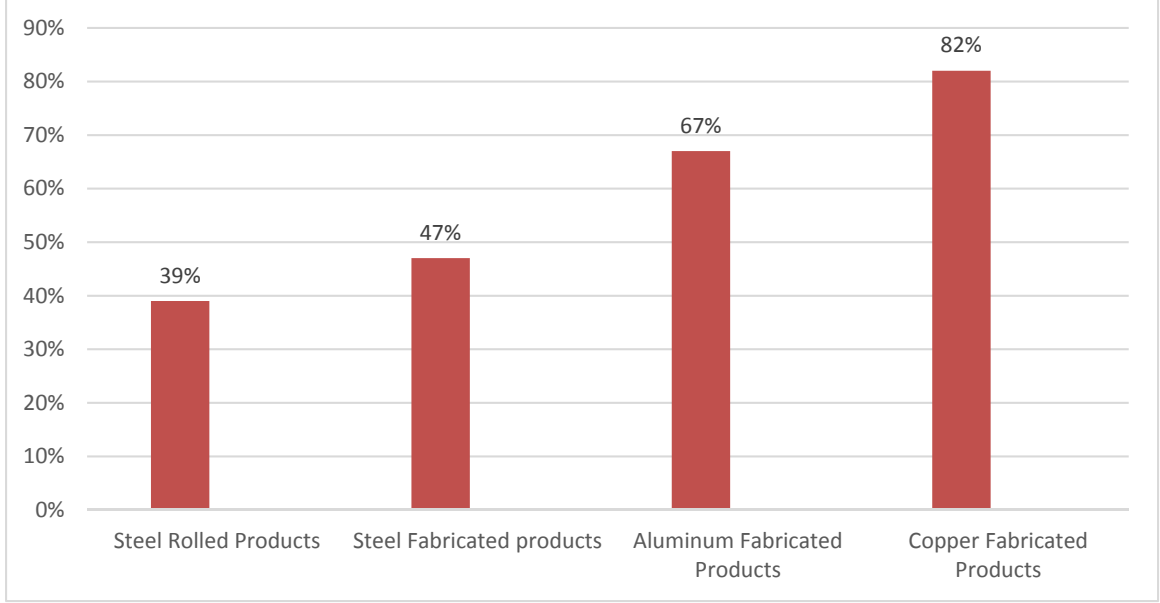


5. Market diversification index

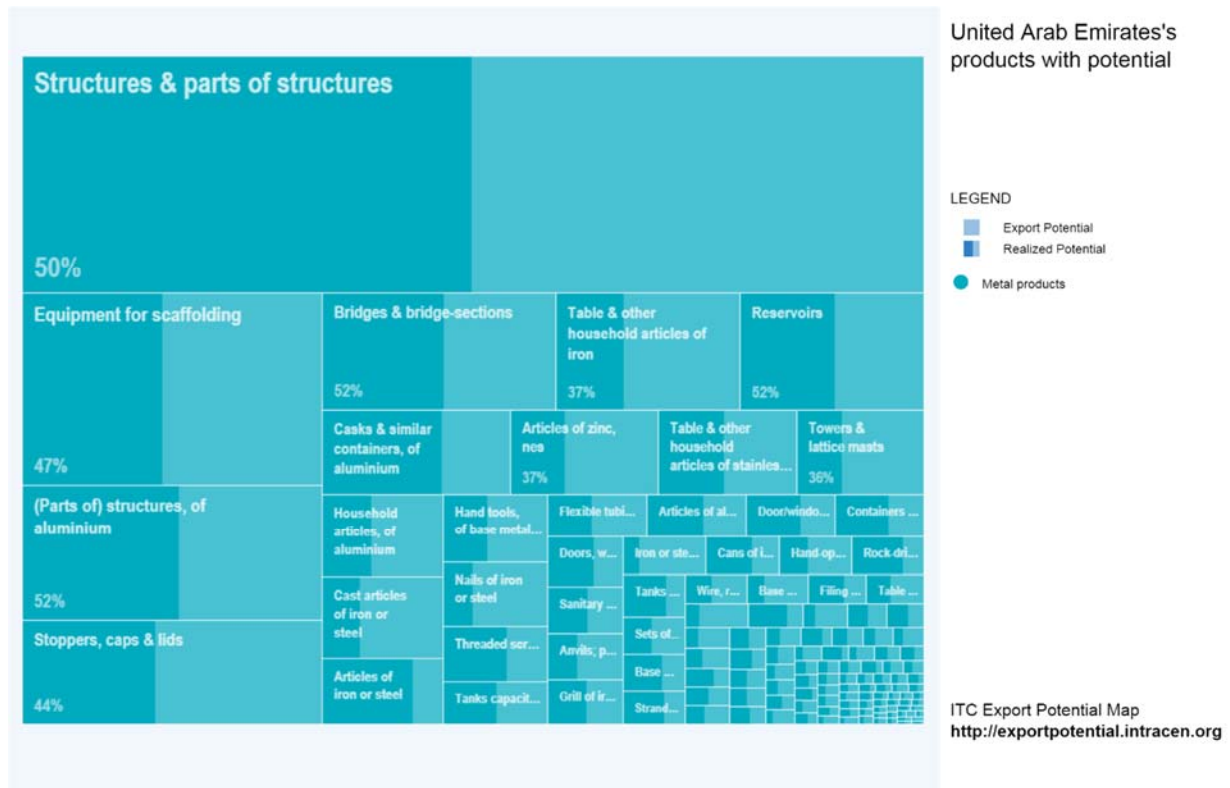
MDI is defined as the percentage of export value of the top five export destinations out of total exports of the specific construction material e.g. Aluminum from Dubai. The lower is the index the higher is the diversification level.

Steel rolled products, steel fabricated products have the highest market diversification , aluminum, and cooper products have the lowest market diversification

Market Diversification Index Q3 2017



6. Potential opportunities for Exports of Construction Materials from UAE



- The markets with greatest potential for United Arab Emirates' exports of 730890 Structures & parts of structures are Saudi Arabia, Iraq and Oman. Iraq shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth US\$ 57.2 mn.
- The markets with greatest potential for United Arab Emirates' exports of 730840 Equipment for scaffolding are Saudi Arabia, Oman and Qatar. Saudi Arabia shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth US\$ 19.2 mn.

- The markets with greatest potential for United Arab Emirates' exports of 761090 "(Parts of) structures, of aluminum" are Saudi Arabia, Kuwait and Iraq. Kuwait shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth US\$ 14.1 mn.
- The markets with greatest potential for United Arab Emirates' exports of 730900 Reservoirs are Saudi Arabia, Oman and Iraq. Iraq shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth US\$ 4.7 mn.

7. Opportunities for SME's in Construction Materials Manufacturing

The markets with greatest potential for United Arab Emirates' exports of 731815 Threaded screws & bolts are China, India and Oman. China shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth US\$ 3.7 mn.

. The markets with greatest potential for United Arab Emirates' exports of 830710 Flexible tubing of iron or steel are Angola, Bahrain and China. Angola shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth US\$ 2.6 mn

8. Appendix

Construction Materials Exports

	Q3 2016	Q3 2107
Plastics	1,254,806,327	1,298,161,925
Wood	33,811,631	49,089,675
Ceramics and related materials	606,741,580	560,122,055
Aluminum	1,391,878,758	1,531,614,812
Articles of Iron& Steel	2,127,392,482	1,860,924,582
Copper	1,576,033,768	1,714,241,820
Iron & Steel	730,919,122	960,198,667
Paints	589,089,109	610,537,711
Stones& Cement	135,703,840	89,384,768
Electricals	1,277,592,300	1,829,312,297
Total	9,723,968,917	10,503,588,310

Construction Materials Re-exports

	Q3 2016	Q3 2017
Plastics	453,985,207	455,010,852
Wood	334,370,563	263,173,692
Ceramics and related materials	280,414,874	245,566,597
Aluminum	166,146,223	103,884,760
Articles of Iron& Steel	1,650,367,775	1,738,647,188
Copper	153,747,550	103,664,803
Iron & Steel	735,166,258	535,902,247
Paints	231,992,247	236,850,193
Stones& Cement	38,705,609	62,821,841
Electricals	51,334,375,994	54,826,200,394
Total	55,379,272,300	58,571,722,565

Aluminum and steel Fabrication companies in Dubai

Reinforcement steel bars

1. Al Rostamani Industries
2. Alam Steel Industries
3. Alreyami Steel Industries
4. Amalgamated Reinforcing
5. Arabian Attieh for Steel
6. British Steel Industries
7. Birc Arabia
8. Cicon Steel Bar Fabrication
9. Conares Metal Supply
10. Dubai Steel Industries
11. Dubai Metal Grating Manufacturing
12. Emirates Rebar
13. Fit Well Metal Industries
14. G.B.M.T Structural Steel Manufacturing
15. Madar Steel Industries
16. Maxsteel Industry
17. Seven Seas Steel Industry
18. Technical Metal Industrial
19. Zain Engineering FZCO

Aluminum Extrusion

1. Alaboor Aluminum Est
1. Gulf Extrusions
2. Natioal Aluminum Extrusion
3. Rigidal Industries
4. Union Industries

Aluminum Rolling

1. Lucky Alloys
2. Lucky Recycling
3. Middle East Installation
4. Refco Metals
5. Tad Inox Gulf FZE

Sources of data and information

- Dubai Customs
- ITC
- BMI
- Commercial Directory (Dubai Chamber)