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THE EXPECTED TRENDS IN ROLLED STEEL CONSUMPTION FROM THE POINT OF VIEW OF PRODUCT MIX IN DEVELOPING COUNTRIES, WITH SPECIAL REFERENCE TO UAR EXPERIENCE

(Presented by the Government of
The United Arab Republic)

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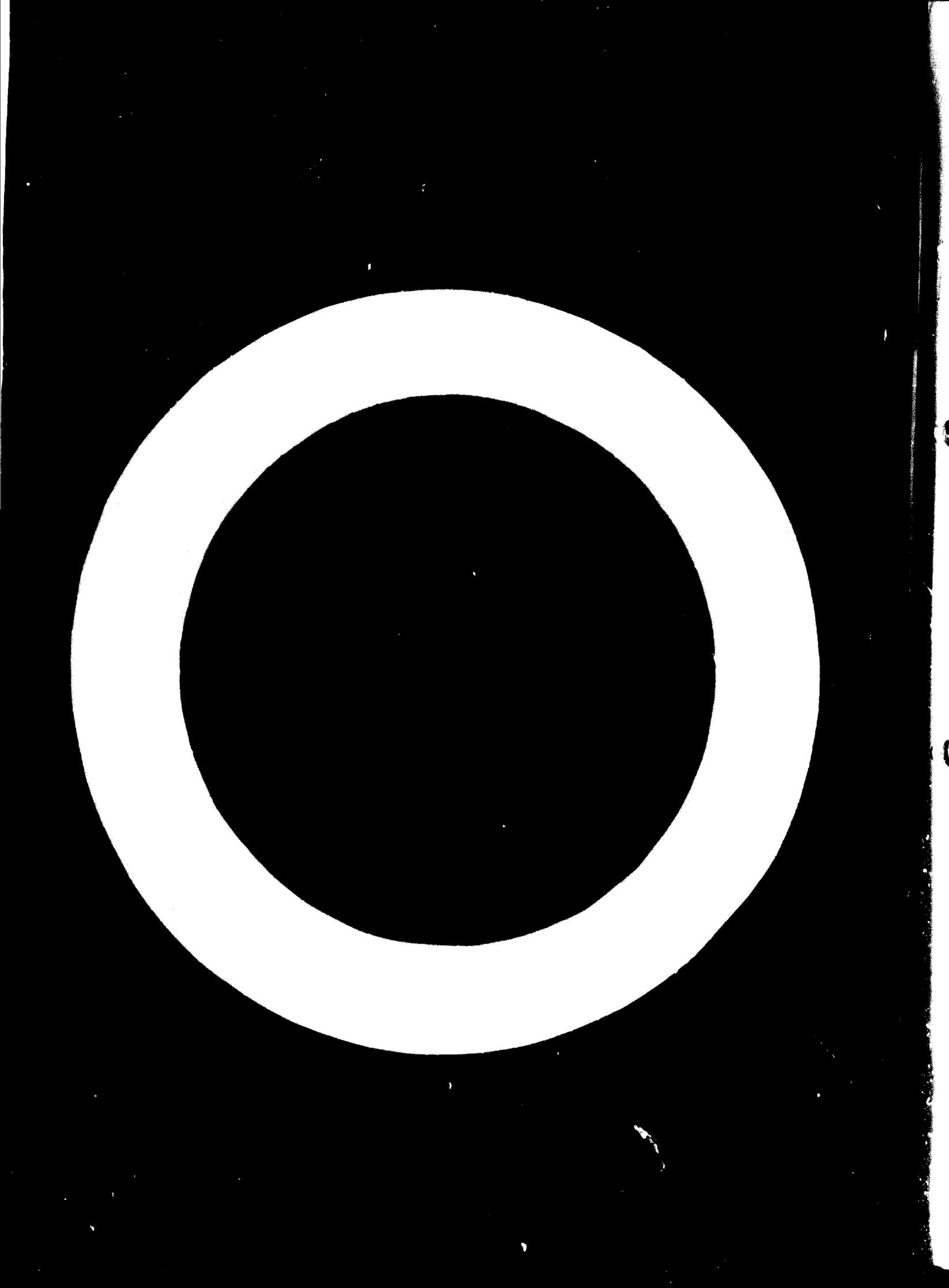

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INTRODUCTION

It is a generally accepted fact that developing countries are compelled to industrialize sooner or later if they are to attain and maintain a high standard of living.

The steel industry is a basic heavy industry and becomes a necessity once a certain level of industrialization is attained.

It should be emphasized that a unified steel standards for Africa should be established in the immediate future. The UAR has already changed from the inch system to the metric system. The unification of standards will help in the exchange of products and allows for better marketing and economic operation.

In this paper a short survey of the existing steel plants in the UAR and the production achieved is outlined and it will be seen that increase in production has been reached, in the different plants. This is mainly due to modernization, more functional organization of labour and experience.

The study is based on the experience gained in the UAR, the tendency in the change of pattern of finished products in different countries of the world and detailed statistics of their products.

By analysing the different trends of product mix, the local demand and the actual consumption of steel in Africa, proposals are given to show a model pattern of product mix in developing countries.

Any solution under study for a particular case should take into consideration local conditions. The decision depends on economic conditions, raw material resources and the programme for industrial development.

HISTORY OF THE STEEL INDUSTRY IN UAR

The steel industry had started in 1948 by private companies and in 1954 the Egyptian Iron and Steel Company was created.

These companies for rolling production are:

- The Egyptian Copper Works, Alexandria.
- The Delta Steel Mill, 5 kilometers from Cairo.
- The National Metal Industries, 20 kilometers from Cairo.
- The Egyptian Iron & Steel Company, 30 kilometers from Cairo.

The following is a brief description of these companies and their capacities

THE EGYPTIAN COPPER WORKS

The Egyptian Copper Works is established in Alexandria. In 1948 a melting shop and a rolling mill for reinforcement bars were erected.

The steel melting shop is equipped with two open hearth furnaces of 28 tons capacity each.

The furnaces are fired by fuel oil and have an annual capacity of 60.000 tons of ingot steel per annum. The furnace charge is almost exclusively scrap.

Rolled Product

Rounds 8 mm - 28 mm

Rolling Mill

1 pusher type furnace
1 three high roughing stand 500 mm diam.
3 intermediate stands.
7 finishing stands
1 rack type cooling bed and 3 garret reels.

The mill can produce 6000 tons/month in three shifts operation.

Wire Drawing

Pilot plant.

Production

60.000 tons/year of round bars.

DELTA STEEL MILL

The steel melting shop of this plant comprises of two electric arc furnaces viz:

- 1 furnace of 12-15 tons capacity and an installed electric capacity of 4000 kw.
- 1 furnace of 15-18 tons capacity and an installed electric capacity of 6000 kw.

Production

The output is 50.000 tons/per annum of ingot steel.

Steel scrap is charged.

The ingots weighing 160 kgs. poured in the steel melting shop are rolled to rounds 8-30 mm diam.

The rolling mill is equipped with

1 pusher type furnace of 8 tons hourly output

1 three-high roughing mill of two stands

1 three-high finishing mill of 7 stands

Foundry

- The works own also a foundry with a hot blast cupola plant of about 4 tons/hr. output.
- 2 electric furnaces of 3 tons capacity each and an installed electric capacity of 1000 kw. each.
- The cast iron is used for jobbing castings and for the manufacture of centrifugal cast pipes up to 150 mm diam.

Wire drawing

- There is a modern plant for drawing of wire.

This mill is now modernized to have automatic operation and a large part of the production will be in coils and in high quality Steel 52.

NATIONAL METAL INDUSTRIES

In the steel works of this enterprise about 50.000 tons of steel ingots per annum is produced. It comprises two oil 25 tons open hearth furnaces. The steel is poured into ingots weighing about 150 kgs. each.

The steel is then rolled into reinforcement bars of 8 mm to 25 mm. The mill consists of.

1 single stand roughing mill.
2 finishing mills of 7 stands each.
1 cooling bed.

Production / year 60,000 tons.

THE EGYPTIAN IRON AND STEEL COMPANY

The Egyptian Iron and Steel Company is the only integrated steel-producing enterprise in Egypt, at the present time, having a potential steel ingot capacity of approximately 315,000 metric tons per year. The plant is located near Helwan about 30 kilometers south of Cairo on the River Nile.

Erection started in 1956 and operation commenced in 1958. All units were put into operation by June 1960.

Basic producing units include two 5.1 meter hearth diameter blast furnaces, three 15 ton Thomas Converters, and two 12 ton electric arc scrap melting furnaces. The rolling mills comprise of one 900 mm blooming and slabbing mill, a three-stand 750 mm medium heavy section mill, a 750 mm three-high plate mill, and a 750 mm two-high sheet mill. A sintering plant and small section mill were put into operation in May 1964.

The construction of a semicontinuous hot strip mill, cold rolling mills, tinning and galvanizing plant is under way. This plant is scheduled to go into production in 1968. The strip mill will have a maximum width of 1000 mm.

Iron Ore is mined at Aswan and transported from a distance of 950 kilometers, in 50 tons railway hopper wagons to the steel plant. Limestone from the quarries at Refaii is delivered by railroad to the steel plant from a distance of 15 kilometers.

Metallurgical coke for the bast furnaces is supplied by a coking plant in the vicinity of the steelworks. Coke is manufactured from imported coking coal. The steel company owns and operates the Aswan iron ore mines and the Refaii quarries.

Original Production Programme, As Determined in 1954

1.	RAILS (Type K 47, K 54.5)	tons/annum	10.000
2.	SLEEPERS	" "	23.000
3.	FISHPLATES.	" "	1.000
4.	HEAVY SECTIONS (UNSPECIFIED)	" "	46.000
5.	HEAVY PLATES (10-24) x 1.5 m	" "	20.000
6.	MEDIUM PLATES (6-10 mm) x 1.5 m	appr.	14.000
7.	THIN SHEETS (1-3 mm) 1 x 2	"	6.000
8.	BILLETS	"	80.000
		TOTAL	200.000

This production programme was modified with regard to the heavy sections and the following is the programme as determined in 1957.

Equal Angles

L 70 x 70 x 7
L 80 x 80 x 8
L 90 x 90 x 9
L 100 x100 x10
L 120 x120 x11
L 150 x150 x14

Unequal Angles

L 50 x 100 x 8
L 80 x 120 x 8
L 100 x 150 x 10

Channels

U NP 10
U NP 12
U NP 14
U NP 16
U NP 26

I Beams

I NP 12
I NP 14
I NP 16
I NP 26

Sheet Bars

300 x (8 - 24) mm

400 x (10- 24) mm

Rails 52 kg/m

Sleepers for rails 52

Rounds 50 - 122 mm

Squares 50 - 140 mm

Since the initial start of operations during 1958, 1959 and 1960, the production of ore, iron and steel has increased as follows:

Semi finished and finished products in the Egyptian Iron & Steel Co. in tons.

Productd (semifinished & finished).	1959	1960	1962	1964
Blooming mill	84852	122909	151200	140611
Blooms for sale	33600	55500	68600	30796
Heavy sections	24767	35233	45094	61180
Light section	-	-	-	-
Rounds and wires				9052
Plate mill	12823	25755	28291	31972
Sheet mill	6873	8204	8224	9838

This table indicates the increase in rolled products and decrease of blooms for sale with regard to the year.

Strip Mill

In 1961 a contract was concluded for the delivery of a semi-continuous hot & strip mill, 1 meter wide, having the following production programme:

Production Programme (tons/year).

In 3 Stages

Hot rolled sheets

	1st stage	2nd stage	3rd stage
1- Sheets for pipes (2-6) mm	40.000	120.000	170.000
2 - Carbon Steel (2-7) mm	40.000	120.000	170.000
Sheets for different purposes			
TOTAL	80.000	240.000	340.000

Cold rolled sheets

1- Carbon Steel Sheets (0.5-2.5 mm) (deep & extra deep drawing)	45.000	140.000	200.000
2- Hoops and bands (0.3-2 mm)	25.000	70.000	110.000
3- Tin plate (0.2-0.55 mm)	45.000	45.000	45.000
4- Black polished sheets (0.2-0.56)	5.000	5.000	10.000
TOTAL	120.000	260.000	410.000
TOTAL PRODUCTION	200.000	500.000	750.000
Parts of cold rolled sheets will be in :			
- Galvanised sheets	10.000	20.000	20.000
- Corrugated sheets	5.000	10.000	10.000

DISCUSSION FOR CHOICE OF TYPE OF STRIP MILL

Before deciding the capacity and type of the installation required for strip manufacturing, for the above mentioned programme a short essay was made on the main typical installations which are:

	Anual production
(1) Steckel hot strip mill and reversing cold mill.	120.000/300.000
(2) Semi-continuous hot strip mill and reversing cold mills.	300.000/800.000
(3) Semi-continuous hot strip mill and tandem cold mill.	500.000/1.250.000
(4) Continuous hot strip mill and tandem cold mills.	1.250.000/2.500.000 (depending on the width & thickness of the strip)

It is clear that no one of these plants will be capable of producing the full of products from the lowest to the highest grade. In our case it should be foreseen the possibility of importation of certain items.

For UAR a normal minimum final gauge of .2 mm was decided upon this gauge allowing for rolling to tinplate gauge.

Continuous rolling mills, with their very large output, were considered to be too expersive for us, and the output associated with such a system was considered to be too high. An alternative considered was a semi-continuous mill, where the operation of the first four stands in a continuous mill is combined in one reversing roughing stand, the slab being reduced in several reversing passes.

A further attempt to reduce the initial capital cost led to the invention of the Steckel mill, in which a reversing rougher is followed by a reversing finisher and the strip is coiled in furnaces on either side of the finisher during each of the five finishing passes to avoid the temperature loss which would occur on a single stand finisher.

The Steckel Mill shall be abandoned becaus of the following reasons:

(1) There will be a difference in thickness of the strip either between the ends of the coils or between the centre of the strip and the sides which should not be more than 2 mms and which cannot be always guaranteed by Steckel mill. So, the yield will be lower with this mill than with semi-continuous mill.

(2) Hot rolled coils rolled on Steckel mill cannot be cold rolled on a Tandem mill. Although it is not necessary in the 1st. stage of the production of strip mill to erect the cold tandem mill but the possibility should be there when it is needed to make use of it.

(3) Operation of Steckel mill is more complicated than semi-continuous strip mill and Steckel mill does not allow further expansion or conversion.

(4) Steckel mill has a limited capacity and it is ideal for rolling stainless, silicon steels, but these are of limited use in our country.

(5) As a big part of our production is foreseen for export, so it should be of quality competitive to World market.

In view of the above and due to very high initial investment of continuous strip mill, we decided that the semi- continuous strip mill is convenient for our requirements.

We did not include in our installation a slabbing mill to feed the semi continuous strip mill, as it is now a common practice to use slabs from continuous casting

REASONS FOR THE CHOICE OF THE WIDTH OF STRIP TO BE: 1 m:

(1) It covers most of our requirements.
(2) It is an international width.
(3) The cost of initial investment is not too high compared with wider strips.
(4) This mill can produce about 800.000(T.annum)
(5) There is a possibility of exportation of strips of maximum 1 m. width
(6) Motor car body industry needs a part of the sheet of widths more than one meter. This can be overcome by:-
a- Using welded sheets which was a common practice before the installation of wide strip mills.
b- Importing these certain wide widths.

Production of Reinforced Concrete Bars and Wires

Detailed statistics were made on the production of reinforced concrete bars and wires between 1957 and 1964 and it was as follows:

Year	Qty. Tons	Percentage increase compared with 1957
1957	107.000	-
1959	142.000	+ 33.1
1960	169.000	+ 58
1962	197.000	+ 84
1964	202.000	+ 88

From the above table we can conclude the following:

In considering the whole main production from QUANTITY SIDE during 1957,1959,1960,1962, and 1964 we can find out that the production shows a marked increase during these years.

The increase has been attained for all dimensions of bars during the different years with the exception of bars of large diam. (32, 38 and 45 mm). These dimensions showed a decrease during the statistical years due to the substitution of these dimensions by smaller ones of a different type known as "cold deformed bars".

Most of the production was in the dimensions 10, 13 and 16 mm, the reason is that these dimensions are commonly used in large construction projects.

TABLE I

STEEL IMPORTS IN
UAR

PRODUCTS	1961	1962	1961	1962
Slabs and ingots	2997	16091		
Hot rolled plates	5475	1910		
Ship plates	468	645		
Hot rolled black sheets	1282	351		
Cold rolled sheets	12115	13255		
Galvalized sheets	2572	5460		
Tin-Plates	6730	8324		
Electrolytic tin sheet	6502	9140		
Different quality of sheets	3	57		
Corrugated galvanised sheets	61	399		
Checquered plates	1218	173		
Stainless sheets	513	1208	36939	40392
Wire bars in coils	327	13185		
Wires for wire drawing	3110	2772		
Galvanized wire	61	63		
Different quality bars	265	734		
Balinh hoops	3653	5134		
Different quality hoops ballings	435	127		
Round bars	7052	16652		
Round concrete wires	4035	5367		
Square bars	408	3565		
Flats	2879	10871	61648	58470
I Beams	100	1373		
Channel	646	2721		
Equal angles	2833	13359		
Unequal angles	371	319		
T sections	669	153	4619	17925
Window sections	3230	4065		
Sheet piles	30616	8862		
Rails vignol	769	2478		
Rails tramway	283	671		
Sleepers	1031			
Other sleepers	602	85		
Fish-plates	4641			
Clips	1	316		
Accessories to railways	687	2	8014	3552
Flats steel-spring steel	1431	16040		
Flats - alloy steel	15	390		
Hexagonal bars	36	155		
Tools steel	30	39	1512	2188
TOTAL PRODUCTS	110152	123075		

This table shows that the bulk of imported steel:

	1961	1962
Flats	33%	33%
Rounds	55%	47%
Sections	4%	14.7%
Rolling stock material	7%	2.7%
Tool steel	1%	2.6%
	100%	100.0%

This goes with the trend of industrialization of domestic goods and shows that the imported materials are mainly flats and rounds. This was taken in consideration in the expansion programme.

TABLE 2

PROGRAMME FOR EXPANSION IN UAR AND PRODUCT MIX
as decided in the 2nd five year plan

Finished products	1970	1972
Heavy sections	125000	125000
Light sections	40000	40000
Plates	750000	75000
Medium sections	200000	200000
Hot rolled sheets & strips	240000	240000
Cold rolled sheets & strips	260000	260000
Reinforced concrete bars and wire (4 existing mills)	310000	310000
New Aswan steel plant		
Round and Wires (6-13 mms.)	300000	300000
New wide plate mill (1st. stage)	-	200000
Possibly to be installed in Alexandria		
TOTAL:	1.550.000	1.750.000 TONS

According to this expansion programme the steel consumption per inhabitant per year will attain about 50 kg. in 1970.

This production programme will be as follows:

SECOND FIVE YEAR PLAN 1965-1970

(1) The Egyptian iron & steel Co.,

(i) The finished rolled steel production is estimated to be equal to approx. 1.2 million tons per year proceeding from the total volume of steel production at the works, which shall be 1.5 million tons of continuously cast semis.

The assortment of rolled products and the production volume by kinds of products are as follows:-

Rolled Products

(i) Heavy Sections

(1) Rounds 50-125 in diameter
(2) Squares 60-140 mm — 125.000 t
(3) Angles 100-150 mm
(4) Channels & I beams 140-260 mm
(5) Rails 16 to 52 kg/m in weight
(6) Sleepers 250 x 96 mm
(7) Sheet piling 400 x 84 mm (Larsen type)
(8) Sheet bars, 150-300 mm wide

(ii) Medium Sections

(1) Rounds 40-80 mm in diameter
(2) Squares 40-80 mm — 100.000 to be increased to
(3) Angles 50-90 mm — 200.000 to at a later stage
(4) Channels & I beams up to 120 mm
(5) Rails up to 16 kg/m
(6) Sleepers for these rails
(7) Flats 50-150 mm wide

(iii) Light Sections

(1) Rounds 6-38 in diameter — 100.000 t
(2) Squares 6-32 mm
(3) Angles 30-40
(4) Flats 20-100 mm wide

(iv) **Plates**

Thickness 5-25 mm 75.000 t
width up to 1500 mm
length 3-6 m

(v) Hot and Cold Sheet Steel

Assortment and production volume of the sheet steel are to be in accordance with the Projected 2nd stage of construction of the hot and cold strip mills (500.000 t including strips for cold forming mill), to be increased to 750.000 t at a later stage.

(vi) Cold Formed Sections (using coils from strip mill)

Cold formed sections of medium dimension range-40.000 t to be increased to 100.000 per year at a later stage.

(vii) Blooms for Re-rolling at other mills

Cross section 140 x 140 to 180 x 180 mm about 350.000 t/year during the first stage and none at a later stage. (see following item No.3)

Steel Qualities

(1) For structural sections - steel 37.42 and 52 (DIN)
(2) Rail steel.
(3) For plates-steel 37,42,52, shipbuilding quality and pressure vessel quality.
(4) For sheets - in accordance with market requirements.

2. Increase of rolled products production at the Works is planned to be reached by (1) Erection of a new medium-section mill; and(2) by completion of the 2nd stage of the hot and cold strip mills. (3) A cold forming mill will be erected as well, together with a fabricated sections line to diversify the production of sections.

3. Proceeding from the steel balance at the works, to study a possibility of erecting a wide plate mill for the production of 200.000 to 250.000 tons of plates per year.

The plate dimensions are as follows :

5 - 24 mm thick
up to 2500 mm wide
up to 12 m long.

Also to consider the possibility of production of plates up to 2750 mm wide and up to 25 m long at the rolling mill.

As to this item No.1 this is the base of an integral steel plant at Alexandria.

This project is still under study and no definite decision is taken. The following table 3 indicates that: -

The steel production in Egypt began in 1948 by rod and wire mills only. The production increased from 50.000 tons (100 per cent in 1950 to 202040 tons in 1964 thus representing 61,6 per cent of the total production of steel. It will represent 39 per cent in 1972 of the total steel production.

The production of flat products started in 1959 beginning by an annual production of 19696 tons representing 8.9 per cent of the total production and reached 41810 tons in 1964 representing 12.4 per cent of the total production, thus conforming with the international trend.

The production of light sections will start in 1965 by an annual production estimated at 30000 tons.

The introduction of cold formed sections by adding a plant in 1970 to produce 40.000 tons in the 1st stage, to be increased to 100.000 tons at a later stage will cover the demand for structural sections together with the products of the existing mills.

Table 4 shows the consumption of steel in different countries of the world in different periods, and the steel consumption per inhabitant.

The average in the whole world is 121 kg/capita.

TABLE 3
PRODUCTION OF FINISHED STEEL PRODUCTS DURING 1959, 1960, 1962, 1964 AND EXPECTED PRODUCTION 1965, 1970 & 1972 (TONS AND PERCENTAGE)

Year	Total	Heavy sect.	Light sect.	Rounds & Wires	Plates	Sheets	Re-rolling	Hot rolled sheets & strips	Cold rolled sheets & strips	Medium sections
1950	50000 (100)	-	-	50000 (100)	-	-	-	-	-	-
1959	220063 (100)	24767 (11.2)	-	142000 (64.5)	12823 (5.8)	6873 (3.1)	33600 (15.2)			
1960	293692 (100)	35233 (11.9)	-	169000 (57.5)	25755 (8.1)	8204 (2.7)	55500 (18.2)	-	-	-
1962	347209 (100)	45094 (12.9)	-	197000 (56.7)	28291 (8.1)	8224 (2.3)	58600 (19.1)	-	-	-
1964	335826 (100)	61180 (12.1)	-	202040 (61.6)	31972 (9.5)	9838 (2.9)	30796 (9.1)	-	-	-
1970	1550000 (100)	125000 (3.1)	40000 (2.1)	610000 (39	75000 (4.8)			240000 (15.4)	260000 (16.7)	200000 (12.9)
1972	1750000 (100)	125000 7 %	40000 2 %	610000 35 %	275000 16 %			240000 14 %	260000 15 %	200000 11 %

TABLE 4

TOTAL PRODUCING OF STEEL IN SOME MAIN COUNTRIES

1963 Production of	USA	USSR	West Germany	Japan	Great Britain	France	Italy	China	World
Steel in 100 ton	99.100	80.200	31.597	31.501	22.941	17.557	10.156	10.000	380.000
Number of inhabitants	189.300.000	224.800.000	57.600.000	95.900.000	53.500.000	47.800.000	50.300.000	700.000.000	3.150.000
Production of Steel/capita	524 KG	357 KG	549 KG	328 KG	429 KG	367 KG	202 KG	14 KG	121 KG

TABLE 5

WORLD CRUDE STEEL PRODUCTION IN 1957 AND 1961 (IN THOUSAND TONS)

COUNTRY		1957	1961
AFRICA	U.A.R.	107	233
	Algeria	15	16
	Southern Rhodesia	65	80
	Union of South Africa	1740	2472
	TOTAL	1927	2901
FAR EAST	Taiwan	89	125
	China	5350	18000
	India	1742	3840
	Japan	12564	23268
	North Korea	277	660
	Pakistan	12	15
	Philippines	50	65
	Others	10	10
	TOTAL	20094	50983
OCEANIA	Australia	3060	3936
	TOTAL	3060	3936
LATIN AMERICA	Argentina	222	441
	Brazil	1299	2443
	Chile	389	391
	Colombia	114	192
	Cuba	-	-
	Mexico	688	1682
	Peru	30	75
	Uruguay	10	9
	Venezuela	20	71
	TOTAL	2772	5308
UNITED STATES NORTH AMERICA	Canada	102225	88920
		4572	5868
	TOTAL	106827	94788
USSR	TOTAL	51043	70751
WESTERN EUROPE	EEC		
	United kingdom	59503	73239
	others	22047	22411
	Eastern Europe	8751	12331
		16173	22745
	TOTAL	106974	130756
	TOTAL WORLD	292637	359549

PART II

In the following, the product mix in different countries is given for recent years tables 6 and 7 and the percentage of each product to the total production, and also the increase or decrease of apparent consumption per inhabitant. (Table 8)

TABLE 6

PRODUCTION OF FINISHED STEEL IN INDIA

1962

Quality	Production per month in tons	Percentage
Heavy sections & railway accessories	96200 m/tons	(31.6)
Flats	95100 m/tons	(31.2)
Bars and rods	111000 m/tons	(36.4)
Spring & tool steel	2100 m/tons	(0.6)

TABLE 7

PRODUCTION OF FINISHED STEEL PRODUCTS (EXCLUDING FINISHED STEEL CASTINGS AND FORGINGS, 1958-1961
THOUSAND OF TONS AND PERCENTAGES

Country and year		Finished steel total	Strip.	Plates	Sheets	Heavy sections	Light sections	Wire rods	Other products
France	1958	11271(100)	683(6.1)	1271(11.3)	2926(25.9)	736(6.5)	3020(26.8)	1118(9.9)	1517(13.5)
	1961	14164(100)	982(6.9)	1588(11.2)	3807(26.2)	896(6.3)	3522(24.9)	1663(11.7)	1726(12.2)
United Kingdom	1958	14796(100)	1215(8.2)	2629(17.8)	3441(23.3)	1678(11.3)	2582(17.5)	1174(7.9)	2077(14.0)
	1961	18663(100)	1446(8.7)	2825(17.0)	3754(22.5)	2038(12.2)	3152(18.9)	1389(8.3)	2059(12.4)
W.Germany	1958	17420(100)	1450(8.3)	3513(20.2)	2276(13.1)	1262(7.3)	4613(26.7)	1467(8.4)	3334(22.0)
	1961	22568(100)	2047(8.0)	4520(17.6)	2958(11.7)	2109(8.2)	6041(23.5)	2094(8.1)	5877(22.9)
Yugoslavia	1958	813(100)	37(4.6)	103(12.2)	81(10.0	14(1.7)	336(41.3)	54(6.6)	188(23.1)
	1961	1140(100)	36(3.2)	112(9.8)	95(8.3)	18(1.6)	495(43.4)	117(10.3)	267(23.4)
Hungary	1958	1309(100)	57(4.4)	186(14.2)	81(6.2)	223(17.0)	338(25.8)	96(7.3)	329(25.1)
	1961	"	"	"	"	"	"	"	"
Rumania	1958	633(100)	17(2.7)	59(2.7)	89(14.1)	38(6.0)	250(39.5)	76(12.0)	104(16.4)
	1961	1520(100)	18(1.2)	108.(7.1)	161(10.6)	148(9.7)	360(23.7)	113(7.4)	612(40.3)
USSR	1958	37572(100)	2041(5.4)	4568(12.2)	5424(14.4)	15384	(41.0)	2934(7.8)	7221(19.2)
	1961	43462(100)	3166(5.5)	7695(15.9)	5925(12.2)	1444(29.0)	4662(9.6)	3902(8.1)	6685(17.9)

TABLE 8

TREND OF APPARENT CONSUMPTION IN SELECTED REGIONS AND COUNTRIES
1938 - 1957 - 1961

(THOUSAND OF TONS OF CRUDE STEEL EQUIVALENT AND KG PER CAPITA)

Region & country	1958 1000 t.kg/	capita	1957 1000 t.kg/	capita	1961 1000 t.kg/	capita	Increase of apparent consumption/ 61/938	Decrease consumption inhabitant 61/957
Far east	11306	10.4	85.590	18	53.256	32	308	178
China (mainland)	1267	3.8	5.544	8.8	18.289	25	893	284
India	1237	3.5	3.619	8.9	5.154	12	343	135
Japan	5929	84.0	12.627	139.0	25.763	294	326	197
MIDDLE EAST	409	8.0	1.459	20.0	1.803	23	288	115
AFRICA								
Union of South Africa	919	82.0	2.222	137.0	2.380	132	161	96
LATIN AMERICA								
Argentina	695	50.0	1.409	71.0	2.379	113	226	159
Brazil	328	8.3	1.876	31.0	2.701	37	446	119
Chile	138	29.0	498	70.0	506	65	224	93
Columbia	89	10.3	275	21.0	405	28	272	133
Mexico	205	11.0	1.351	43.0	1.840	51	464	119
Venezuela	129	7.0	1.556	254.0	448	59	159	23
NORTH AMERICA								
United States	40456	314.0	97.178	568.0	89694	488	155	86
WESTERN EUROPE								
Denmark	553	147.0	912	203.0	1233	267	182	136
France	5457	132.0	13.594	301.0	14167	308	233	102
Turkey	164	10.0	298	12.0	549	20	200	167
United Kingdom	10921	227.0	19.022	370.0	18838	357	157	96
W. Germany	10921	227.0	21.097	400.0	27571	490	157	123
Yugoslavia	261	17.0	1.124	62.0	1881	101	594	163
EASTERN EUROPE								
Bulgaria	261	17.0	517	67.0	871	110	594	164
Hungary	459	50.0	1.514	154.0	2168	216	432	140
Romania	427	22.0	1.530	86.0	3179	171	777	199
USSR	17523	103.0	49.337	243.0	68382	314	305	129

Special attention is given to the Far East, Middle East and the Latin America countries. The steel consumption per inhabitant is ranging established in developing between 12 kg. - 60 kg. This indicates the probable range for the size of plant to be established in developing countries in Africa.

TABLE 9
STEEL
RATES OF INCREASE OF CRUDE PRODUCTION AND ESTIMATED RATES OF INCREASE OF CAPACITY IN SELECTED PERIODS 1939 to 1961
(PERCENTAGES)

COUNTRY	1957 over 1939	1960 over 1959	1961 over 1960
UNION OF SOUTH AFRICA	346.2	11.4	17.0
MIDDLE EAST	-	30.3	0.9
FAR EAST			
China (mainland)	139.0	34.9	8.9
India	281.7	38.2	- 2.4
Japan	63.3	33.0	16.8
LATIN AMERICA	87.6	33.1	27.7
Argentina	1010.0	29.4	59.2
Brazil	1039.5	54.7	7.1
Chile	-	8.7	- 13.3
Mexico	793.5	45.2	14.1
UNITED STATES	113.5	6.2	- 1.3
U.S.S.R	190.0	8.9	8.4
EUROPE (EXCLUDING USSR)			
ECSC	65.9	15.3	0.6
United Kingdom	64.1	20.4	- 9.1
Other Western Europe	197.4	14.1	7.4
Eastern Europe	148.0	9.4	7.9
TOtal World	115.0	13.5	2.9

This table shows that the increase in production does not follow a certain rule, but there is sharp leap at first, slows down and may even show a retreat in production in some periods and after a certain period it starts to increase sharply.

STEEL MARKET IN AFRICA

- According to the report of the United Nations Economic Commision for Africa the existing market is as follows: The consumption of steel per head is very low averaging about 6 kg per head over East and West Africa, in Algeria consumption is about 36 kg per head, in the UAR 16 kg. per head.

- There is prospect of increase in consumption of steel.

- The current demand for steel in Africa is most largely for use in building and construction followed by general maintenance and repair work.

- The pattern of demand determines the finished products required which consists in all regions of over 1/3 for reinforcing concerete bars and sections for building and construction work, 1/5 for galvanized sheet for roofing and general construction purposes in West and East Africa, ¼ for railway material and pipes, especially in North Africa and about 1/5 for wire and wire rod, flat products (plain sheet, plate, tinplate and strip).

In particular, none of the national areas of the African continent, with the exception of Egypt and Algeria, can at the presen. time, and on its own, offer a large enough market to fully justify the erection of a modern integrated iron and steel unit with an annual output of at least 250.000 tons of finished steel.

DISCUSSION OF SIZE OF PLANT

The main trends in iron and steel making in recent years may be summarized as follows:

(1) Better preparation of raw materials.

(2) Intensification of metallurgical processes particularly by the widespread use of oxygen.

(3) Increased size of production units and of complete iron and steel works.

(4) The introduction of continuous processes and the closed integration of the different stages of production.

(5) The wider application of automatic controls leading to a further increase in the scale of operations.

Characteristic features of iron and steel industry processes are the great bulk of the raw materials used and the massive plant equipment needed to handle these materials. Furthermore, capital costs are high and large scale production essential to spread the incidence of capital charges.

The optimum economic size of an integrated iron and steel works in a highly industrialised country is already of the order of 3 million ingot/ton per annum.

It is still possible to install economic units of a much smaller capacity than the up-to-date optimum size plants which are being installed in the USA and the USSR.

None of the African countries, with the exception of the UAR & Algeria can at the present time offer a large enough market to fully justify the erection of a modern integrated iron and steel unit.

- Steel production in most African countries to-day is based on the smelting of locally available scrap.
- The initial size of the plant should be determined on the basis of the existing market. The possibility of flexible expansion in stages to cope with market growth over a period of ten to twenty years should be taken into consideration when designing the plant. Local conditions and the availability of raw materials influence the decision for the type and initial size of the plant.
- The plant would preferably be in the form of a progressive installation of rolling mills, then steel furnaces, then an iron making facility, if local conditions so dictate.
- Heavy profiles are hardly used in Africa for construction work, such structures have mostly been replaced by reinforced concrete bars.

- The approach to find the optimum size of the plant, can be based either on:

(1) Fixing a minimum steel consumption per head and multiplying this by the population of the country.

As previously seen from the product mix and steel consumption in different countries especially the UAR, Latin America, India and China. This figure should range between 10-20 kgs/inhabitant.

(2) According to the experience gained we think that a progressive plant of capacity 50.000 tons of finished products is the most suitable. Such units are continuously built and ordered for nowadays. It can be projected as follows:

a- The installation of a merchant and wire rod mill for the manufacture of rounds, wires and small angles.

b- According to local conditions the initial materials can be:

1. Imported billets.
2. Billets from steelmaking furnaces for converting local scrap iron, supplemented with imported pig iron for the production of billets.

c- Blast furnace or electric shaft furnace to be installed for the production of pig iron using local iron ore and charcoal or coke.

Annual production of 50.000 tons should be the minimum size of any plant. The rolling mills need not be automated or fully mechanised in the 1st stage, but it should allow for such modernization.

The increase in production due to better utilization of the installation may balance the increase in the population up to a certain point.

- Each developing country should build its experience and produce by these comparatively small units taking into consideration that bigger integrated steel plants should be eventually installed to fulfil the following goals:

(1) Satisfy a growing home market.

(2) Export excess production to neighbour countries, preferably on an exchange basis for other steel products.

STEEL QUALITY

- Steel production should be of the normal qualities 37 kg/m^2 and according to DIN 17100 and no alloy steel to be forseen in the 1st stages.

- In Africa, due to the distances between the countries, the resulting transport costs would suggest the advisability of grouping together neighbouring countries to study the prospects of the installation of large integrated plants as a joint venture, within each group.

  This allows installation of plants of maximum economical size and the finished products can be divided between them, aiming for regional integration in the area.

- All measures should be taken for ensuring a smooth progress of the whole development programme. This necessitates the establishment of an exact time schedule. According to it, it will be possible to meet the requirements fixed in the industrial plan for rolling mill products.

CONCLUSION

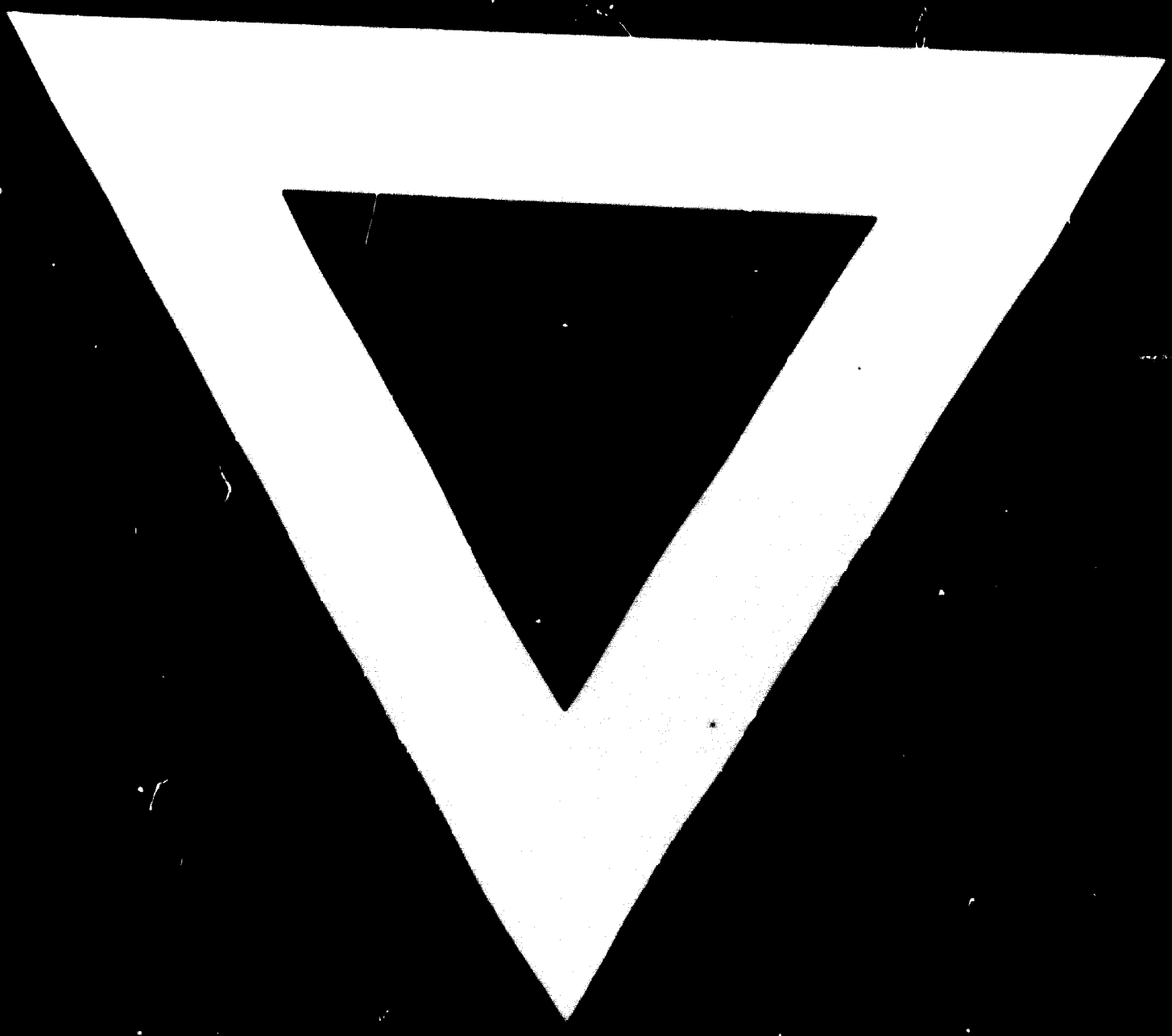
The installation of the iron and steel industry in developing countries is inevitable, the question that remains is that of timing. The tandardization of specifications of the finished products is of utmost importance. The plant should be modern and up to date and should allow for further modernization and expansion.

A long-term programme of development should be forseen in the planning stages. The unit should have a capacity of not less than 50.000 tons of reinforced concrete bars and may be light sections (angles, flats) as well, mainly of commercial quality and plain carbon steels for general use. The history of the steel industry in the UAR as shown in the production programme and the expansion for the future presents a model for the right approach for a good start.

The production programme and the choice of product mix for the steel works should allow for sub-regional specification. This forwards the possibility of:

(1) Installing plants of economic size.

(2) The ability of co-ordinating their output of finished steel.



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