



Galvanising the GCC Steel Sector

AGIS CEO Abu Bucker Husain explains how the firm has established itself as a regional go-to supplier for the construction and fabrication industries

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It is well-documented that Gulf Corporation Council (GCC) countries are seeking to diversify their economies to reduce dependence on oil exports.

Recent forecasts suggest the region's GDP is set to grow by 2.4 percent through 2018, and 3.5 percent in 2019, a marked increase from the 0.1 percent recorded in 2017. Although a recovering oil price is the major driver of this, it is not the only factor in the equation.

Against this backdrop of an improving economic picture, industries outside of oil and petrochemicals are also picking up. Indeed, a report published by Oxford Economics in February 2018 cited one of the reasons for the GCC's uptick in growth prospects as a revival in non-oil sector growth.

One such sector is steel. Growing at an annual rate of around eight percent, the GCC's steel industry is supplying an ever-diversifying construction sector that is looking to prefabricated structures as a means of generating sustainable growth. Further, an

upsurge in tourism coupled with global events such as the Expo 2020 in Dubai and 2022 FIFA World Cup in Qatar has led to a demand for quick, economical construction solutions.

This is highlighted by another report by IMARC, which found that the region's prefabricated building and structural steel market reached a value of nearly \$3 billion in 2017, a figure it forecasts will rise to \$4.4 billion by 2023.

Carving a niche

A crucial component of building construction and fabrication processes is galvanised steel. Galvanised steel coils possess ideal properties of corrosion resistance, formation and coating that are required for roofing, doors and windows.

Located in Abu Dhabi, Al Ghurair Iron & Steel LLC (AGIS) is the first and only steel cold rolling and galvanising complex in the United Arab Emirates. Producing 400,000 tonnes per annum, the joint venture firm draws on the expertise of its two heavyweight parents.

“This is our biggest strength,” says AGIS CEO, Abu Bucker Husain. “Al Ghurair Group is one of the leading local business conglomerates in UAE with a well-established name.

“Similarly, Japan’s Nippon Steel & Sumitomo Metal Corporation (NSSMC) is one of the biggest steel makers in the world, particularly known for its quality. A merger of these two big names reassures our customers of our quality and our service.”

Sourcing its raw materials like zinc from reputed steel mills and zinc smelters from around the world, AGIS has become a regional go-to for quality.



Abu Bucker Husain, CEO, AGIS

AGIS A SOLID STRUCTURE

AGIS is made up of two formidable parent companies:

Al Ghurair Group – Dubai

- 60-plus years of experience
- Active in petrochemicals, metals, packaging and real estate industries

NSSMC – Japan

- World’s fourth largest steel producer
- \$2.7 billion of internal investment 2015-2017
- 800 R&D employees

Strategically placed

Convenience and speed of delivery has also attracted custom from clients in both the UAE and neighbouring countries, a vital element if the likes of Expo 2020 and the Qatar World Cup are to be ready in time.

From its UAE base staffed by more than 550 employees, AGIS manufactures and sells into 20 countries.

“Our competitive advantage is mainly in our local GCC market, because of our logistics and the market’s recognition of our local brand



name,” Husain says. “Having said that, some of the global markets have also been regular buyers of our products in the last 10 years.”

Being stationed on the doorstep of Abu Dhabi’s industrial Khalifa Port is another logistical advantage. “For any manufacturing industry, as you can imagine, the infrastructure support is crucial,” Husain continues. “We buy all our raw material delivered to the Abu Dhabi port, which is only 45 kilometres away and we ship all our containers out of Jebel Ali.

“By definition, the Middle East is right in the middle of the global map. This makes us equidistant to all the major markets – Europe, Africa, the Sub-Continent and Australasia. This gives us an advantage in terms of shipment time and ocean freight.”

Fuelling future growth

If AGIS is to continue supplying the demand generated by the GCC’s expanding construction industry, further efficiencies and innovation will be crucial, and recent investment



is already allowing the firm to take advantage.

In October 2016, it completed a major expansion to its galvanising line, a project which has doubled its capacity. Now, it is looking to increase the output of its milling facilities. “We are constantly evaluating the potential

addition of new lines, increasing efficiencies and removing bottlenecks in our processes,” Husain says.

Beyond internal investment plans, the CEO points towards three more priorities – strategic tie-ups with major customers, procuring quality raw materials at the most competitive prices and attracting and retaining the best talent available.

Asked to summarise AGIS’s 2023 Vision, Husain simply concludes: “We want to be the leading galvaniser in the Middle East.” ■