

We Will Promote Iran's Position in the Global Steel Market

Below, you can find the transcript of Payam- Darya Magazine's interview with Dr. Mehdi Karbasian, Chairman of the board of IMIDRO:



Iran enjoys a large volume and a wide variety of mineral resources, particularly the iron ore. What macro approaches has IMIDRO taken to utilize these capacities? Is it selling raw material, or it is setting production chain and selling final products?

Given that we have one of the largest gas resources of the world and we have access to inexpensive energy, it is crystal clear that we have opted for creating production chain in order to preserve our national interests, enhance production in the country and gain benefit from iron ore and other minerals' added value. We have been very successful in the steel industry: We have promoted Iran's steel production capacity from 21 million tons to 31 tons in the past four years. Besides, we have taken successful steps in completing steel production chain as well as producing its subsidiary products such as concentrate, pellet and sponge iron.

Pellet is one of the main materials needed for steel production. Considering large pellet production factories in Iran such as Chadormalu and Yazd Complex, are we self-sufficient in this regard? If so, do you have any plans for exporting pellet?

I am afraid not. As I already stated, we are in possession of inexpensive energy, and hence, we intend to focus on final product.

Steel industry is a top priority for us. To this end, we have to move toward producing and delivering specific and stainless steel. In this regard, I must add that, based on the latest speculations, Iran is one of the richest countries in the field of iron ore with reservoirs of over 3 billion tons. Our ultimate goal is reaching the production tonnage of 55 million tons of steel by the horizon of 2025. Even though the mentioned reserves are sufficient for accomplishing these goals, IMIDRO has set out to discover more reservoirs in the past two years. Based on these plans, we have managed to cover an area of 250 thousand Km², and managed to discover 400 million tons of resources and mines of iron ore, coal and the like. Accordingly, it could be asserted with certainty that Iran is one of the richest countries of the world minerals-wise.



Last year, given the execution of JCPOA, Iran found a special opportunity to expand its collaborations with foreign countries and international investors. What measures did you take in order to absorb investments after JCPOA, and what accomplishments did you make?

Without a tinge of a doubt, JCPOA has been a turning point in the domestic and international arena in the recent years, since we had been encountering numerous difficulties prior to that. Large corporations and international firms refused to collaborate with us, and even if some cooperation was offered, they sent their low-level experts to Iran, even without giving them the necessary authority. Nevertheless, in the post-JCPOA era, the circumstances have been completely changed, and high-ranking executives of huge Canadian, Australian and European

corporations have been traveling to Iran for collaboration and making partnerships. These visits are still ongoing and they have led to signing of valuable MOUs. Thanks to JCPOA, we have managed to hire the most technologically updated counselling in the fields of research and training. However, things are going slow in the area of investment. It is unfortunate that the Americans and some European countries have not fulfilled the commitments made in JCPOA. Despite these conditions, we commenced the construction process of steel machineries and equipment factory in Eshtehard, Alborz Province, with the help of the Italian Danieli Group, which is a reputable corporation in this field.

Iran witnessed a noticeable growth in steel production last year, in a way that it was placed among the top 15 steel manufacturing counties. Does this increase in production merely serve to cater to the domestic needs, or is exporting being considered as well?

Certainly, export is a top priority here. In fact, we set a new record for steel export in 2016. We exported approximately 4 million tons in 2015, but this rate reached 6.5 million tons in 2016.

Which countries were the target markets of these exports?

The main targets were European countries. Some volumes were also exported to Asian countries such as Thailand. Overall, we have managed to earn a position in the world market for Iranian steel, and we are well capable of achieving bigger successes in the future.

What plans does IMIDRO have for expanding its export market?

Given the facilities and resources at our disposal, both the prices of our products and their quality will be competitive. We do prognosticate that by the year 2025, we will have reached the export capacity of 14 million tons in steel industry.

One of the accusations against Iran's mining industry, particularly pushed by European countries, last year was the issue of dumping. Did this accusation have any basis? If not, how could we respond to it?

This accusation was and is absolutely baseless. The accusers had targeted Foulad-E-Mobarakeh Co., which manufactures steel sheets. The accusations were made due to

two main reasons: First, the competitors of Iranian steel lost their market when Iranian steel products entered Europe, so too much so that the Italian automobile manufacturers submitted a written complaint to Italian government and European Union officials, complaining that prior to purchasing Iranian steel, they used to buy steel at an unfairly expensive price in a non-competitive market. Second, as I stated earlier, Iran enjoys abundant raw materials as well as accessible and inexpensive energy; hence, it could deliver final products that have competitive prices, and by no means could this be considered dumping.

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