



**CFC Prpject 2017**  
**Jordan Steel Group**  
**JOST**



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## List of Acronyms

<b>1</b>	<b>JOST</b>	<b>Jordan Steel</b>
<b>2</b>	<b>ASE</b>	<b>Amman Stock Exchange</b>
<b>3</b>	<b>WSA</b>	<b>Word Steel Association</b>
<b>4</b>	<b>SWOT</b>	<b>Strength, Weaknesses, Opportunities, Threats</b>
<b>5</b>	<b>CAPM</b>	<b>Capital Asset Pricing Model</b>
<b>6</b>	<b>WACC</b>	<b>Weighted Average Cost of Capital</b>

## **Investment Summary:**

JOST is Jordan Steel Group which is a Public shareholding company which owns a group of subsidiaries. JOST have around 25% as a share of the local market although the very strong competitive situation between nine other companies and the restrictions of the governmental regulations. JOST achieved an increase in the gross profits compared by the previous year in addition to the strong ability to face the updated challenges through the increased productivity and improving the performance of Al-Darfalah factory and using Gas instead of fuel in addition to use more updates of control systems for PLC for production lines.. JOST is currently planning to operate the furnace of Al-Darfalah to support the factory productivity. Also, JOST will keep forward to reoperate the melting factory which stopped working last year because of the high operation costs and raw materials shortage.

The political situation & wars in the region may lead to the positive effect on Steel market and demand once these conflicts come to be ended. We expect that JOST Sales to grow at a low rate. For that reason we expect sales to grow at 2.4% annually for the period 2016 – 2018. So total Sales is estimated to be 67,919,086 million JD in 2016 with a growth of 2.4% from 2015. Gross Profit percentage was 18% in 2015 compared to losses in 2014. Gross Profit percentage expected to be 25% for the years 2016-2018 due to the company Strategy to widen its operations and get more market share and the expected increase on steel products mainly in the real state sector.

According to the global expectations and JOST outlook toward the future. The reported net income for the year 2015 was 224220 Million JOD compared to losses in 2014 which was 2733872 JOD. The prospective vision for the company in 2016 is to have a better income that the expected work flow will be positive. That will increase the net income for 216 and 2017 to reach 1109866 JOD. The positive impact will reach the other related operational and administrative expenses where reoperations of the Melting factory and implementing new control systems will increase the company productivity to meet the expected demand for the company products in the local and regional levels.

On the company internal future strategies , JOST gives attention to many issues that supports its efficiency in administrative and controlling operations and improve its image in the society.

That is through Health & Security: JOST will continue applying Health & Security procedures specially those related to employees administration. Also JOST will continue applying Training courses for supervisors due to its importance in Industrial process. On the other hand, JOST cares about Social Responsibility in order to maintain good relationships with local community & to participate in Social Responsibility programs and environment protection as much as possible.

The derived valuation of JOST shares is JOD 1.01 per share. The stock closed at JOD 0.47 on December 31, 2015 at Amman Stock Exchange Market. So we recommend „BUY“ on JOST stock according to its Current price levels.

## **Industry Analysis Overview:**

### **Introduction**

Steel is an essential and relevant industry worldwide, and steel products are a heavily traded commodity. In recent years, market changes, shifts in import and export levels, and weakness in the international demand for steel have adversely impacted steel industries across the world. Along with unstable trade forms, world benchmark steel prices had a downward trend since early 2011, and the financial outlook for many steel companies has declined. The 2008-2009 global financial crisis was in particular very hard for steel industries, and this period will feature obviously in the following discussion of global steel indices. 2015 was also a period of decline for the steel industry, as lower global demand caused declines in other indicators.

World Steel Association is a truly global body demonstrating 18 of the world's 20 largest steel companies, including six of the top 10 producers in China. It was founded as the International Iron and Steel Institute on 19 October 1967. It changed its name to the World Steel Association on 6 October 2008. The change of name and identity has been made to reflect its development and highlights its leadership as the world body promoting the interests of the global steel industry in terms of economic, environmental and social sustainability.

### **Production**

For most of the last decade, global crude steel production has been rising. Production totaled 1.1 billion metric tons in 2005 and by 2015 had grown 41.4 percent to 1.6 billion metric tons — an increase of 475 million metric tons over ten years. Global production dipped in 2009 following the global financial crisis but rebounded quickly by 2010. In 2014, global production hit a record high of 1.67 billion metric tons.

Weak global demand for steel in 2015 caused a slight contraction in crude steel production worldwide, decreasing 2.8 percent from 2014.

The World Steel Association has forecasted relatively stagnant steel demand levels for 2016 and 2017, which would indicate that production may hold steady at current levels in the near future.

Crude steel production growth rates reinforce the upward production trend of the past decade. Since 2006 there have been only three years with negative growth rates. In 2008 and 2009, as the global financial crisis impacted the steel industry, growth rates bottomed out at -0.3 percent and -7.8 percent, respectively.

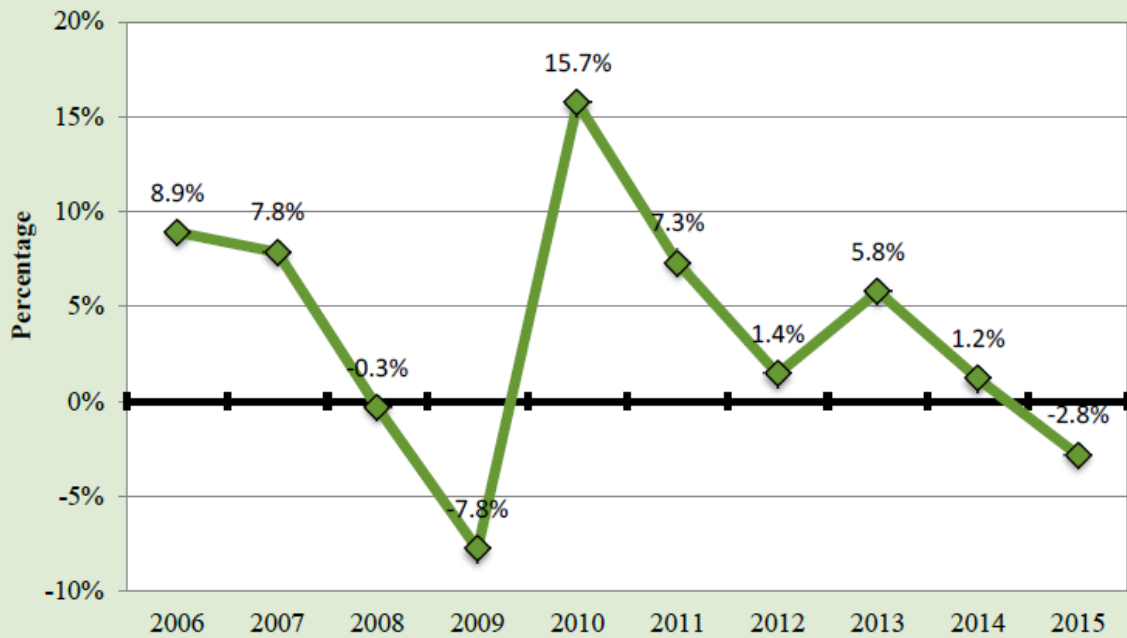
Crude steel production shortened in 2015, at -2.8 percent, due to weak demand for steel. In the majority of years in which steel demand experienced positive growth, growth rates were above 5 percent. Growth peaked in 2010 when the rate hit 15.7

## Global Crude Steel Production



Source: World Steel Association

## Global Production Annual Growth Rates



Source: World Steel Association

## Production by Country

Four of the world's ten largest steel producing countries are in Asia and Oceania: China, Japan, India, and South Korea. China is the world's largest steel producing country and accounted for nearly half of global production in 2015 at 49.5 percent — a total of 803.8 million metric tons. Japan ranked second at 6.5 percent of global production or 105.2 million metric tons production, followed by India (5.5% or 89.4 million metric tons), the United States (4.9% or 78.8 million metric tons), and Russia (4.4% or 70.9 million metric tons). Then South Korea and Germany followed by Brazil, Turkey and finally Ukraine.

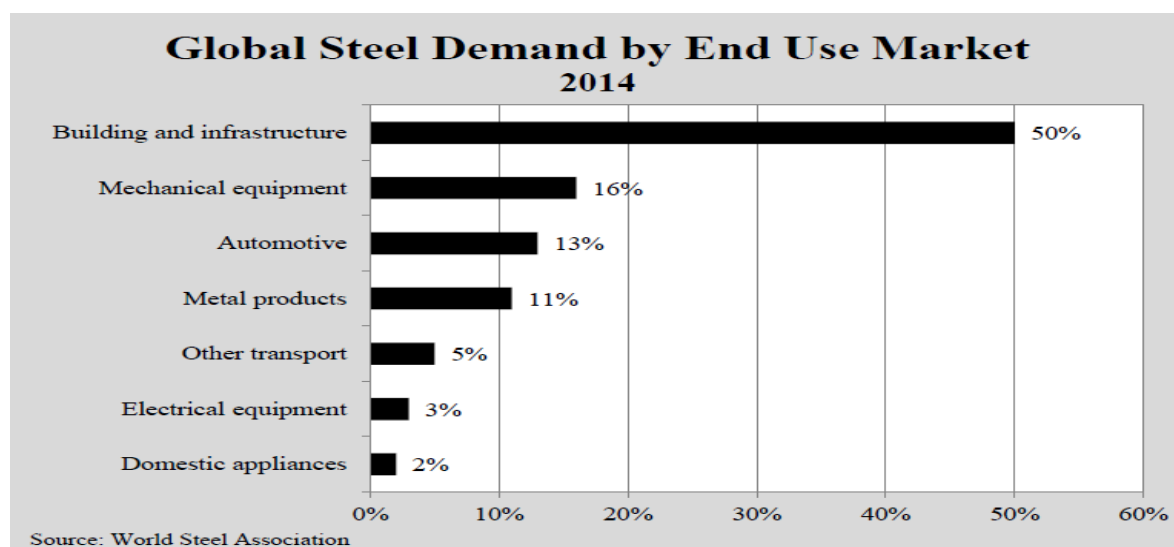
### Top 10 Crude Steel Producing Countries in 2015



Source: World Steel Association

## End Use Markets

Along with being a widely-traded commodity, steel is also consumed in many end use markets. Based on existing estimations, 50% of the steel produced worldwide is used in the building and infrastructure sector, that includes housing, rail, bridge, and green energy construction. The mechanical equipment and automotive sectors together collected about roughly 30 percent of steel demand, followed by metal products (including consumer and other goods) and other transport (including shipbuilding and trains).



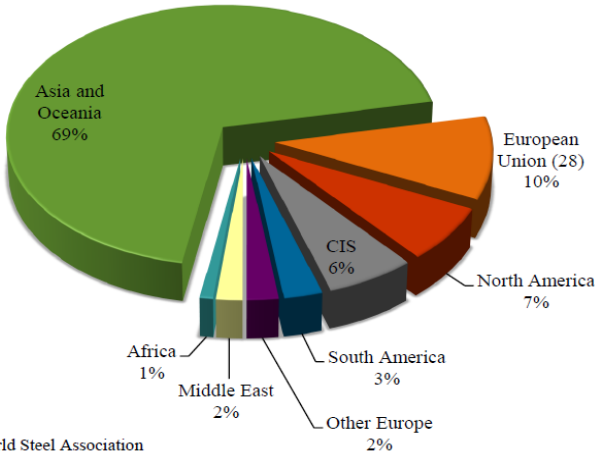
### Production by Region

Among eight world regions, Asia and Oceania produced 1.12 billion metric tons of steel in 2015, accounting for 69 percent of the 1.6 billion metric tons of global production. The European Union (28) was the second-largest steel producing region in 2015 with a 10 percent share of production (166 million metric tons), followed by North America with a 7 percent share (111 million metric tons) and the Commonwealth of Independent States (CIS) with a 6 percent share (102 million metric tons).

The distribution of shares by region held steady from 2014 but has changed markedly from a decade ago. Between 2005 and 2015, the majority of regions have seen their shares of production decrease, including the European Union, CIS, North America, South America, and Africa. The share of production held by Other Europe remained at 2 percent. Only the Middle East and Asia and Oceania had increases in their shares of global production between 2005 and 2015. The table below highlights the different performances across regions.

Across all regions, steel production fell in 2015. North America saw the largest negative growth rate, at -8.6 percent, followed by Other Europe at 5.7 percent. Prior to 2015, steel production in Asia and Oceania and the Middle East had positive growth in every year since 2006, sometimes growing by double digits. All other regions experienced declines in steel production, especially during the 2008-2009 financial crisis and again in 2012-2014.

**Regional Share of 2015 Steel Production**



Source: World Steel Association

### Indirect Trade in Steel:

Indirect trade in steel takes place through exports and imports of steel containing goods. Globalization and the specialization of manufacturing has had a significant impact on indirect trade in steel, which grew by more than 80% worldwide in the period 2000-2013, while direct trade increased by 30%. The volume of indirect trade in steel was equivalent in size to 21% of apparent steel use and equivalent in size to 77% of direct exports in 2013.

During the period 2000-2013, indirect exports of steel for the 74 countries analyzed increased by 84% from 171 million tons (Mt) in 2000 to 315 Mt in 2013. Countries of the European Union had a share of 38% of the total indirect exports in 2013, those of Asia and Oceania totaled 43% and those of NAFTA, 12%. In 2013, the European Union countries were the



biggest indirect importers with a share of 37%, followed by NAFTA (North American Free Trade Agreement), 22%, and Asia and Oceania, 20%.

The top five exporters (China, Germany, Japan, South Korea and the USA) accounted for 53% of indirect steel exports in 2013. The top five importers (the USA, Germany, Canada, China and France) accounted for 35% of indirect imports in 2013.

In 2013, the main indirect net exporters were China (55 Mt), Japan (17 Mt), South Korea (16 Mt) and Germany (10 Mt).

The largest share of indirect exports of steel was held by the automotive sector (34% in 2013). Metal products accounted for 27%, mechanical machinery 22% and other transport made up 12% of total indirect exports. The share of two other sectors, electrical equipment was 3%, and domestic appliances were 2%.

### **Production by Company**

ArcelorMittal, formed through the merger of Luxembourg-based Arcelor and India-based Mittal in 2006, has been the world's largest steel-producing company for several years. In 2015, ArcelorMittal produced 97.1 million metric tons of steel, or 6 percent, of global production. China's Hesteel, formerly Hebei Iron and Steel, ranked second in 2015 with 47.7 million metric tons of steel production, followed by Japan's Nippon Steel and Sumitomo Metal Co., which merged in 2012, with 46.4 million metric tons. Five of the top 10 companies are headquartered in China, and nine of the top 10 are headquartered in Asia and Oceania. ArcelorMittal is the only company headquartered outside Asia and Oceania region.

<b>Top 10 Steel Producing Companies in 2015</b>		
<b>Rank</b>	<b>Company</b>	<b>Production (mmt)</b>
1	ArcelorMittal	97.1
2	Hesteel Group	47.7
3	Nippon Steel and Sumitomo Metal Corporation (NSSMC)	46.4
4	POSCO	42
5	Baosteel Group	34.9
6	Shagang Group	34.2
7	Ansteel Group	32.5
8	JFE Steel Corporation	29.8
9	Shougang Group	28.6
10	Tata Steel Group	26.3

Source: World Steel Association

## Trends in the Middle Eastern Steel Industry

2013 has been another year of development in the fast-growing Middle East steel industry. While demand growth has not been uniform, the region as a whole continues to consume more steel. Meanwhile, output growth continues from existing and new capacity. Projects continue to be put forward and while some have made good progress, others have been subject to delays. In this article, analysts from Metal Bulletin Research (MBR) provide an overview of recent developments in the key markets in the region and an outlook for 2014 and the next five years\*.

Crude Steel Production Annual Growth Rates										
Region	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
World	8.9%	7.8%	-0.3%	-7.8%	15.7%	7.3%	1.4%	5.8%	1.2%	-2.8%
European Union (28)	6.0%	1.4%	-5.5%	-29.8%	24.0%	2.8%	-5.2%	-1.3%	1.8%	-1.8%
Other Europe	13.0%	8.6%	3.6%	-8.2%	15.9%	16.1%	2.1%	-3.2%	-0.7%	-5.7%
CIS	5.9%	3.6%	-7.9%	-14.6%	10.8%	4.1%	-1.7%	-2.1%	-2.1%	-4.3%
North America	3.0%	0.9%	-5.6%	-33.1%	33.2%	6.4%	2.5%	-2.1%	1.8%	-8.6%
South America	-0.5%	6.5%	-1.5%	-20.5%	16.2%	9.7%	-3.7%	-1.2%	-1.7%	-2.5%
Africa	4.1%	-0.1%	-9.1%	-9.3%	7.9%	-5.6%	-2.3%	4.1%	-5.9%	-0.1%
Middle East	0.8%	7.0%	1.2%	6.7%	12.6%	16.2%	7.5%	8.0%	11.2%	-0.6%
Asia and Oceania	12.5%	12.2%	3.3%	3.2%	13.3%	8.2%	3.0%	9.4%	1.4%	-2.2%

Source: World Steel Association

### Steel companies in Morocco:

Ste Nationale De Siderurgie SA (SOND.CS) is a Morocco-based company specializing in the manufacture of steel products. It offers round reinforcing bars, used for reinforcement of construction materials; merchant bars, used for mechanical construction and steel framework structures, and wire rods, used to make nails and springs. The Company operates three production centers, Nador Center Rolling Mill, Jorf Lasfar Center Rolling Mill and Jorf Lasfar Center Steel Works. The Company distributes its products across Morocco and it also supplies clients in the West and North African markets, in the Mediterranean region and North America, among others.

### Steel companies in Egypt:

#### 1- Egyptian Steel

Egyptian Steel is a manufacturer of steel and steel products. The company was founded in 2010 and is headquartered in Cairo, Egypt.

Egyptian Steel was co-founded by Ahmed Abou Hashima and Qatari investor Shiekh Mohamed bin Suhaim Al Thani. Hashima is the company's CEO. Egyptian Steel is the holding company for National Port Said Steel, IIC for Steel Plants Management, and Al Khaleeg Trading for Building Material. Egyptian Steel is headquartered in Cairo, Egypt. The company manufactures steel and steel products such as rebar, wire rods and billets. As of October 2013, Egyptian Steel produced approximately 300,000 tons of steel annually at its Port Said plant.

In March 2012, Egyptian Steel and Danieli SpA entered into an agreement to build "the largest industrial complex in the Middle East and North Africa region for the production of rebar and billet" in Beni Suef. The Beni Suef location, along with another new location in Ain Sukhna, began production in early 2015.

In September 2012, Egyptian Steel and Danieli SpA signed a \$210 million (Egyptian pound), (USD \$34.5 million) agreement for Danieli SpA to provide production lines for Egyptians Steel's plant in Ain el-Soukhna. The agreement also provides production lines for National Port Said Steel Co. At the time, it was estimated that the agreement would create 20,000 new jobs. Egyptian Steel offered an initial public offering for the public to purchase company shares in 2015.

## **2- "Ezz Steel":**

Formerly: AL EZZ Steel Rebars Co. doing business as Ezz Steel (also spelled ezzsteel, is the largest steel company in Egypt and the Middle East and North Africa Region. Ezz Steel has its head office in Mohandessin, Giza, Greater Cairo.

Ezzsteel is listed on the Egyptian Exchange under the ticker symbol "ESRS". and has GDRs listed on the London Stock Exchange under the ticker symbol "AEZD".

Ezzsteel holds a 55% stake Al-Ezz Dekheila Steel Co. located in Alexandria, a 64% direct and indirect stake in Al-Ezz Flat Steel Company (EFS) in Suez and a 99% of Al-Ezz Rolling Mills Company (ERM) in 10th of Ramadan City.

The Alexandria Company was established in the 1982 and started production at 1986. The old name for the company was Alexandria National Iron and Steel Company, ANSDK. The company was owned by a group of banks and petroleum companies as well as a Japanese consortium.

Ezzsteel operates four steel plants in Alexandria, Sadat City, Suez, and 10th of Ramadan City. In addition, its mother company holds the majority stake in Al-Ezz Ceramics and Porcelain Company which produces ceramic and porcelain tiles under the brand name "GEMMA" and "Al-Jawhara".

ezzsteel is ranked 65th of the world biggest steel producers as per the World Steel Institute with total production capacity of 4.5 million tons per year, representing about three quarters of Egypt total annual production of 6 million tons.

Ahmed Ezz was the Chairman and Managing Director of EZDK, As he submitted his resignation in 2011 after 25 January Revolution. Mr Farouk Zaki Ibrahim is the current Chairman of EZDK.

Paul Chekaiban is the current Chairman and Managing Director of ezzsteel.

## **Gulf Cooperation Council GCC Steel Industry**

Steel is a major component in buildings, tools, automobiles, and appliances, hence making steel consumption an important indicator of economic growth and prosperity. GCC steel production is fairly fragmented, and UAE's steel demand has made it one of the largest consumers in the GCC region. The region is investing Billions of Dollar in construction projects, mostly in preparations for World Expo 2020 in Dubai and FIFA World Cup 2022 in Qatar. It is anticipated that steel consumption in UAE will grow at a CAGR of 8% during 2016-2020.

In the latest research report "UAE Steel Industry Outlook 2020", our analysts have studied the UAE steel industry's performance, which is currently a key growth market in terms of production, consumption, import and exports due to the fast-expanding construction &

infrastructure sector. The research is an outcome of extensive primary & secondary research, and thorough analysis of industry trends.

The UAE steel industry worldwide has been experiencing growth in the region, and the country's key players are holding a strong imprint in the steel market globally. In addition, it also covers the production and consumption forecast till 2020 of crude and finished steel. Finished steel has been further segmented into long and flat products. Long products have been further classified into rebar and structural sections. Extensive research and analysis revealed that long products occupy the maximum share in finished steel consumption. In long products, rebar dominates finished steel consumption in UAE. Similarly, flat products have been segmented into coils, strips & sheets and plates.

### **1- Conares:**

As the Middle East focuses on infrastructure development, Conares serves as the perfect partner to meet the growing industry requirements for steel rebars & pipes. A diversified & full-fledged manufacturing facility based in the UAE, the strategic hub between the East & the West, Conares today is the premier producer of quality steel products for wide-ranging needs; having a total manufacturing capacity of more than 1,000,000MT annually.

### **2- Emirates Steel:**

Established in 1998, Emirates Steel grew from a simple re-roller of imported steel billets to a complex integrated manufacturing plant, using modern solutions to tackle traditional industrial problems. In 2012, the Company began producing at a capacity of 3.5 million MTPA, following two expansions and the investment of AED 11 billion (US\$ 3 billion).

### **3- Hamriyah Steel FZC:**

Hamriyah Steel is leading steel manufacturing in UAE, Russia-Emirates joint venture established by METALLOINVEST which is a leading global producer and supplier of HBI and iron ore products, and a regional producer of high quality steel and H.H. Sheikh Sultan Bin Khalifa Al Nahyan which its headquarters in the United Arab Emirates, SBK Holding has a range of companies that serve a broad cross-section of industries not only in the Gulf region but also globally. The Plant a rolling mill Locate in Free Economic Zone in Sharjah capable to supply 1M tpy rebar to local construction market.

### **4- Qatar Steel Company FZE:**

QATAR STEEL Company was established in 1974 as the first integrated steel plant in the Arabian Gulf. Commercial production began in 1978 with the company becoming completely owned by Industries Qatar in 2003.

Today, Qatar Steel is widely recognized as a foremost leader in the steel industry, extending its pioneering commitment from an expansive mill site located in the heart of the progressive Mesaieed Industrial City - 45 kilometers south of the nation's capital, Doha. The Company also operates a UAE based subsidiary - Qatar Steel Company FZE.

Inspired to meet the growing demand for steel in Qatar as well as the region in general, Qatar Steel has embarked upon a series of initiatives aimed at increasing its production capacity. The

ongoing modernization and technically advanced expansion projects are designed to produce world class products, which will further enhance the company's presence in the world of steel production.

### **5- Star Steel International LLC:**

Established in 2006, Star Steel International LLC is an important steel company involved in bringing excellent solutions to the growing demands. Within a short duration of time, Star Steel International has become an essential part of the business scene present a variety of steel products for the construction and allied industries through imports and local production. The corporation is an associate of ETA ASCON STAR Group, a Dubai based USD 5.69 Billion conglomerate, again a part of the Al Ghurair Group of Corporations, one of the most revered and primary business houses in the UAE.

The company is placed to meet the steel requirements compliant to international standards. The facilities include rolling mills and processing facilities. Further, the company has created strategic partnerships with different providers around the world to achieve unmatched levels of service and quality with reliability, consistency and competitiveness.

### **6- Tiger Steel Industries**

Tiger Steel Industries LLC (TSI) popularly known in the market as "TIGER Tube & Pipe Mill" was established in 1997, in Dubai UAE, for the manufacture and supply of ERW Steel Tubes and Pipes to the local industry and has over the decade begun exporting into the GCC markets and beyond.

The company has two plants, one located in Dubai at Al Ghusais Industrial Sector 1 and the other in the Industrial City of Abu Dhabi (ICAD – II), in the manufacturing hubs of the UAE. The combined production facilities have Four Tube Forming Lines, Three Coil Slitting lines and Two Cut to Length Lines with a manufacturing operation that caters to the Hydrocarbon (Oil & Gas sector), marine, offshore, construction, mechanical and automotive industries.

### **Jordan Steel Industry**

The Jordanian industrial sector consists mainly of "manufacturing industries" sector, "extractive industries" sector and "electricity and water" sector. This sector stands as one of the main pillars of the Jordanian economy.

A new antitrust law was expected to come into effect in November 2002. This law would force increased competition in the Jordanian steel industry, which was plagued by severe overcapacity. The country's total rolling capacity was estimated to be 1 million metric tons per year (Mt/yr), but production was only 270,000 metric tons (t) in 2000. Most of Jordan's steel companies reported losses from 1996 to 1999 (Metal Bulletin, 2002). The International Iron and Steel Institute (2001, p. 82, 92) estimated that Jordan's imports of semi manufactured and finished steel products amounted to 387,000 t in 2000. This was an increase from 354,000 t in

1999, but a decrease from 554,000 t in 1995. From 1995 to 2000, Jordan's apparent consumption of finished steel fell from 572,000 t to 405,000 t. Most of the billet needed to produce Jordan's rebar was sourced from Russia, Turkey, and Ukraine.

There are around 37 steel companies operates in Jordan. some of them are JS-laser technic which operates in Madaba. Jordan Advanced Machining Company

## **Jordan Steel Group:**

### **Overview**

Headquartered in Amman, Jordan, Jordan Steel Group is a leading steel maker with strong presence across the region. The company supplies unparalleled steel solutions in the region. The company is listed in the Jordan Stock Market under "JOST", since its establishment in 1993, the company has earned credibility among investors and steel manufacturers. Today, it stands amongst the highest market values and reputable companies. The company is also a member of the Arab Iron and Steel Union.

Established as a Public Limited Shareholding Company (P.L.C) with a capital of 35 million (JD) and a current annual production capacity of 50 tons electric furnace estimated by 360 thousand tons of billets, about 250 thousand tons of steel rebars, around 4 thousand tons of wire mesh, and about 30 thousand tons of cut and bend service. the company is under continuous growth.

Jordan Steel Group employs highly qualified team of experts, that ensures every detail is met with only the most meticulous attention to detail. Training within the borders of Jordan and across the region is continuously provided to ensure a sound environment for employees through the various levels within the departments to continuously grow and improve.

Regular product quality is achieved by utilizing advanced testing procedures and equipment at every stage of the production cycle. In Jordan Steel Quality Management System ISO 9001: 2008 is implemented as a positive and proactive approach to ensure excellence within the line of products and services.

## **Jordan Steel Products**

### **1- Rebars Standards**

Jordan Steel Group manufactures a range of products: rebar, flat, round and square long bars, wire mesh and offers the cut and bend service.

Jordan Steel offers a wide variety of high quality rebars ensuring commitment with time supported by ISO 9001;2008 implementation.

### **2- Merchant Bars Standards**

Jordan Steel offers a wide variety of high quality rebars ensuring commitment with time supported by ISO 9001;2008 implementation.

### **3- Billet Standards**

Billets produced as per American Standard (ASTM) such as (Grade 40, 60), and British Standard (BS) such as BS500, also (GOST-380) 5SP/PS, 4SP/PS, 3SP/PS.

### **4- Cut and Bend Services**

Jordan Steel Group always assures that our clients receive the highest quality at the lowest possible prices. Contractors can benefit from the following attributes of cut and bend services:

1. Delivery of only needed steel as per individual tables.
2. Elimination of waste to zero.
3. Less labor is needed.
4. No mess on the site.
5. No stock on site.
6. No storage areas needed on site.
7. Flexibility to produce complicated shapes.
8. Installations and steel fixing.
9. Dealing with large measurements and high tensile strength.

### **5- Wire Mesh**

Wire-mesh is used in construction for reinforcing concrete, floors and ceilings. It is also used in concrete pipes, sidewalks' tiles, water reservoirs, canals and under-floor heating in addition to many various usages as well.

Main Local Projects supplied by JOST.

### **6- Projects :**

We take pride in our rich portfolio of satisfied clients. Our history of producing excellent quality and superior service has won the trust and loyalty of our clients.

#### **Main Buildings:**

- Taj Mall
- Zarqa Government Hospital
- Amman Stock Exchange
- Children Hospital – Al Hussein Medical City
- National Museum
- Airport Extension
- Sheraton Hotel
- Le Royal Hotel

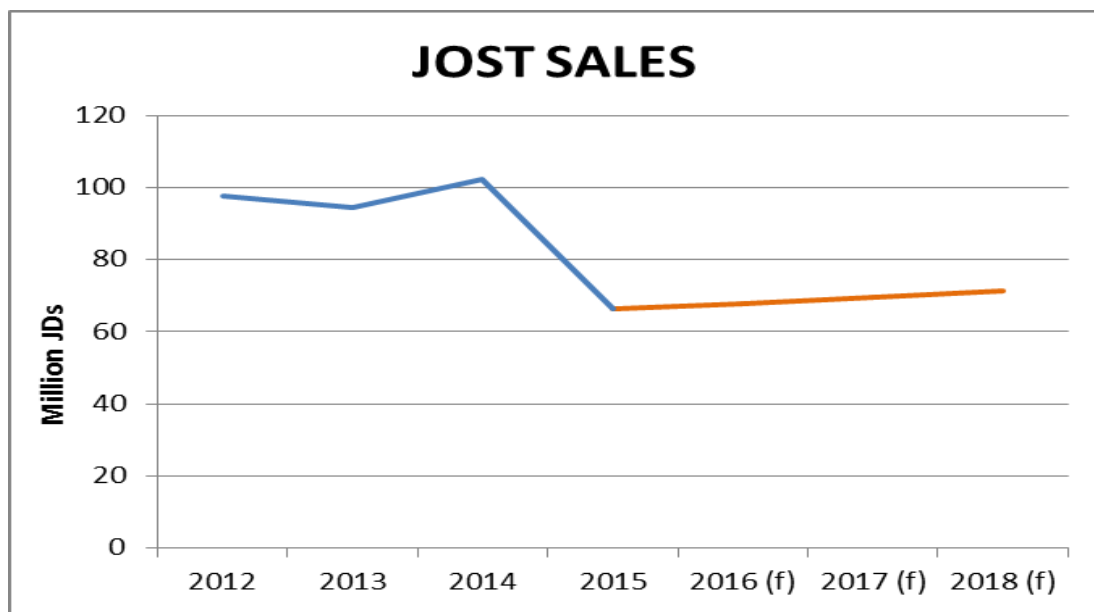
#### **Main Cross Roads:**

- Shmeisani Intersection
- Abdoun Bridge
- Khalda Cross Road

## 1- JOST Sales:

Total JOST Sales “Operating Revenues “had declined from 2012 to 2013 (by 3%), from 97,870 Million JOD in 2012 to 94,578 Million JOD in 2013, to an increase to 102,219 Million JOD in 2014 .In 2015, operating revenues started decline as of the very bad political and environmental circumstances in addition to the restrictive governmental regulations and the strong competition that led to dramatic decrease in sales in 2015 to reach 66,327 million compared to the previous years. By assuming a growth rate in sales revenues about 2.4% the forecasted sales will be 67,919Million JOD in 2016. The forecasted sales in 2017 will be 69,549 Million JOD with an increase of 2%.The trend of sales (declining) from 2014 till 2015 was due to the increased competition in Jordan and importing the salvages from other countries.

The figure below shows JOST Sales (2012-2018):

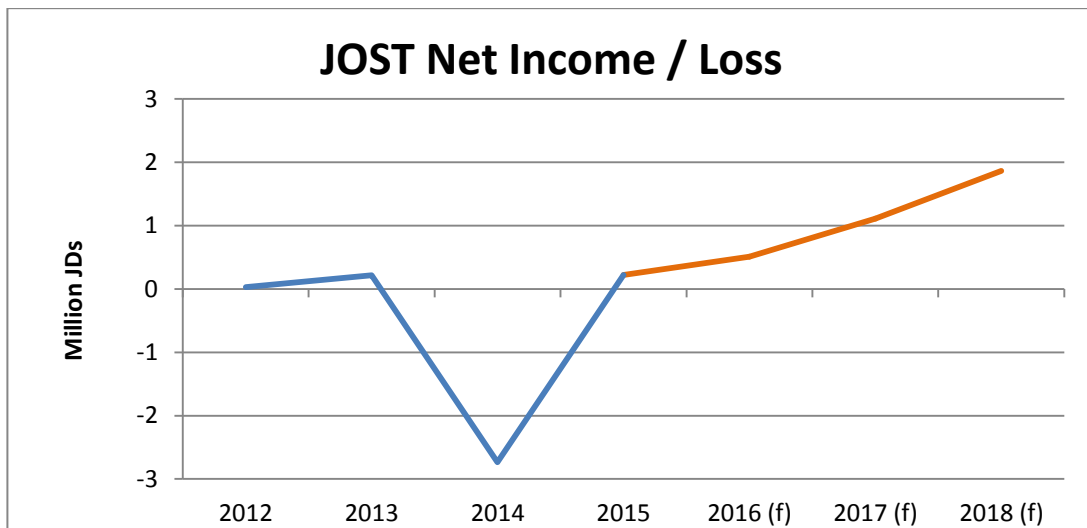




## 2- JOST Net Income:

JOST Net Income had increased by 6.5% from 2012 to 2013. Total Net Income (28.662) Million JOD in 2012, (216.000) Million JOD in 2013, but in 2014 JOST had loss about (2,733) Million JOD that was because of the workers strike and workers union complaints and the compensation costs paid to them and the dramatic increase in raw material prices .In 2015, net income returned to increase where it had reached 224,220 Million. By assuming growth in the gross profit of the company by 25% , the expected net income increased to reach 508,130 Million in 2016 and to be increased in 2017 by 18% and to reach 1,864 Million in 2018.

The figure below shows JOST Net income/ loss for (2012-2018):



## SWOT ANALYSIS:

This financial and strategic SWOT analysis of Jordan Steel P.L.C. provides a strategic SWOT analysis of the company's businesses and operations. The profile shows a comprehensive view of the company's key strengths and weaknesses as in the internal environment and the potential opportunities and threats in the external environment which are included in the model.

**S**

- Operates within the local, regional and international standards and mainly got the (ISO) 2008:9001 for rebar steel.
- Implementing Quality Assurance services and customer care.
- Good market share which is 31% compared to the strong competition which includes nine companies working in the same field.
- Care about the social responsibility through social activities in the local society.
- Work within the environmental standards through the ministry of environment.

**W**

- Lack of dividends
- Closing the factory of the Smelting plant and the workers strike and workers union complaints.
- Lack of training and qualifying for the personnel.
- No research and developments plans for the products to support the market competition.

**O**

- Expected increased demand on steel.
- Income level is at a constant increase.
- Ability to increase its local Market share.

**T**

- Lack of new and large governmental and private sector projects in the local environment.
- Increased restrictions on salvage trade and imports by the legal Authorities.
- Political instability mainly in Iraq and Syria.
- Large steel amounts imported to Jordan Market.
- No governmental protection or patent privileged to the company.
- Sharp fluctuation in raw materials prices.
- High costs of energy resources related to electricity and fuel.
- No legal protection from dumping the market with imports.
- Exchange rate risk.

## **Financial Overview:**

Financial Analysts and Consultants uses a particular forms of documents that is being issued by the companies to measure and analyze there performance in order to making decisions related to the company operations and useful for external and internal users . These documents are called "Financial Statements". Financial statements are a collection of reports about an organization's financial results, financial condition, and cash flows. The standard contents of a set of financial statements are:

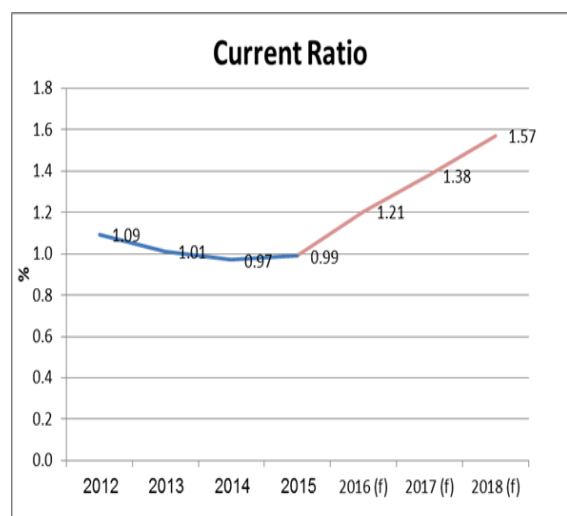
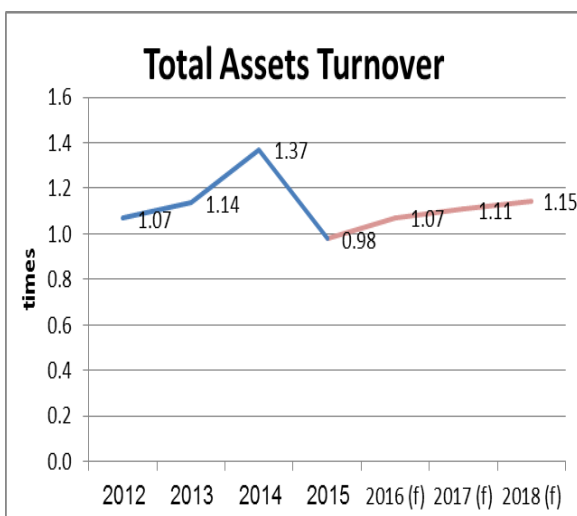
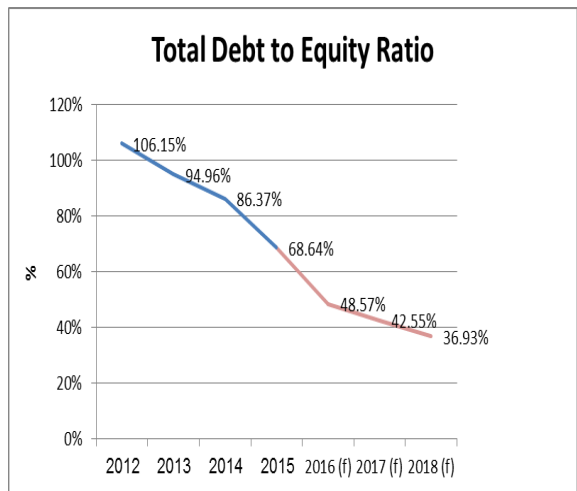
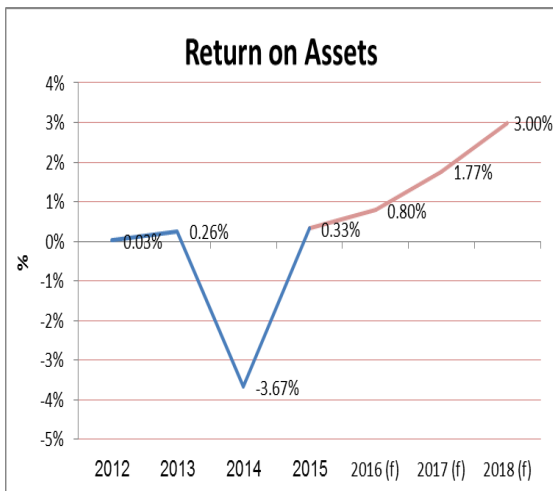
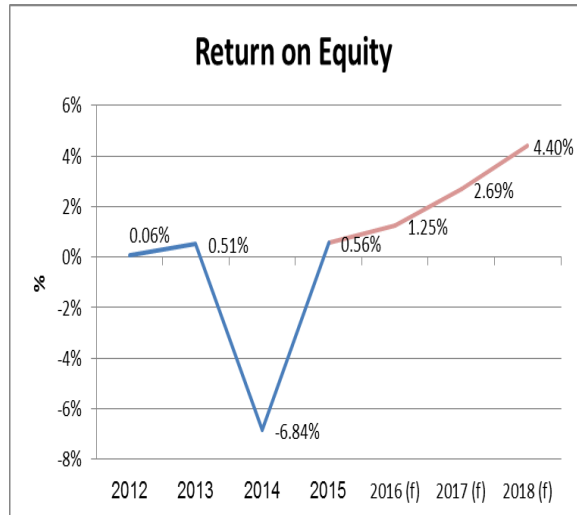
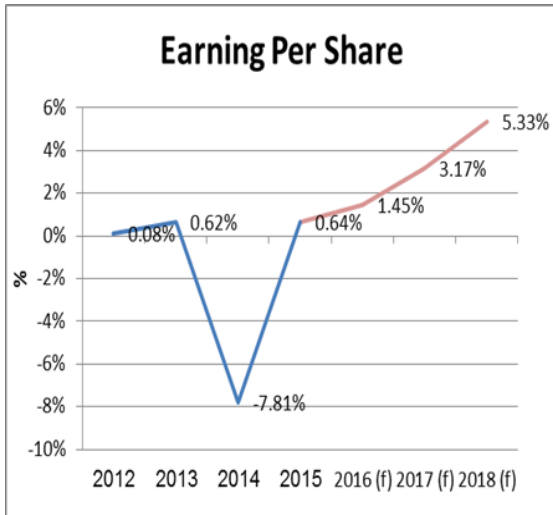
- 1- Balance sheet. Shows the entity's assets, liabilities, and stockholders' equity as of the report date. It does not show information that covers a span of time.
- 2- Income statement. Shows the results of the entity's operations and financial activities for the reporting period. It includes revenues, expenses, gains, and losses.
- 3- Statement of cash flows. Shows changes in the entity's cash flows during the reporting period.
- 4- Supplementary notes.

Financial Analysis is a general method used to evaluate companies operations, business, projects, for making projections and forecasts. Financial Analysis is a process uses many indicators to measure the firms profitability, solvency & Leverage, liquidity & Asset management performance using Financial Ratios. Also Financial Analysis is a helpful tool to judge long term plans, economic trends & financial policy using Financial Statements numbers & data. It is used by a variety of stakeholders, such as credit and equity investors, the government, the public, and decision-makers within the organization. These stakeholders have different interests and apply a variety of different techniques to meet their needs. For example, equity investors are interested in the long-term earnings power of the organization and perhaps the sustainability and growth of dividend payments. Creditors want to ensure the interest and principal is paid on the organizations debt securities (e.g., bonds) when due. By using the Financial Analysis the firm will be able to take advantages of its strengths & to avoid disadvantages of its weaknesses. A basic feature of Financial Analysis is the Ratio Analysis. These Ratios can be used to compare the company performance with other best company in the market (Benchmarking) or to compare with Industry Average. Financial Ratios are divided into four main categories:

- 1- Liquidity Ratios (whether the firm is liquid enough to be able to meet its short term debts).
- 2- Profitability Ratios (The Firm ability to use its Assets to generate an acceptable rate of return on its investments in assets and equity).
- 3- Asset Management Ratios (How efficiently the firm can use its noncash assets to generate sales and cash Assets).
- 4- Leverage Ratios (The Ability of the firm to repay long term obligations).

## Ratios Analysis:

- The trend for Current Ratios for the period 2012 – 2015 was decreasing from 1.09 times in 2012 to .99 times in 2015. Reasons for that were the low cash balance results from declining trend in sales, the high raw material costs during that period & the high competition in the local market. But was still within the industry average which was (1). In comparing the Average Current Ratio (.85) with idealistic Current Ratio of 2 times the company may have a liquidity problem to cover all Current Liabilities from Current Assets. Current Ratios for the period 2016-2018 will be better than 2015 & that's related to the expected growth in sales which will be reflected on cash & other current assets. JOST Acid Test (Quick Ratio) was increasing through the period 2012 – 2015 from .33 times for the year 2012 to be 0.4 in 2015. According to our assumptions , Quick ratio was lowered in our expectations to reach .37 in 2016 but starts to increase to reach the industry rate which was .43 in 2017 and exceed it in 2018 to reach .49 times.
- Debt ratio shows that the company trends to decrease its dependence on financing activities especially from long term debt. That is clear from the decreasing percentage of debt ratio where it was 51.5% in 2012 and decreased to 40.7% in 2015. Our assumptions indicated the continuous dependence on Equity financing that led to more decrease in debt ratio to reach 25.19% in 2018. Also, Equity ratio was increasing inversely of debt ratio all over the period 2012 – 2018. That justifies the decrease in total debt to equity ratio and the increase of interest coverage ratio.
- The higher the Assets Turnover Ratio, the better the company is performing and uses its assets in more efficiently. JOST Assets Turnover Ratios during 2012-2015 were more than one times which means that JOST is efficiently using its Assets. Industry average reached .97 and the company exceeded that rate all over the period 2012- 2018. Our assumptions reached the estimated Assets turnover for 2018 to be 1.15. JOST should keep its Asset Management Strategy by adopting new techniques in Sales (Increase Sales) or reducing Assets that are not effective.
- Finally the Conclusion is that about the profitability indicators of JOST which are Return on Equity, Return on Assets, & earnings per share looks moving in the same direction as shown in the figure below. Financial statements shows that company profitability was increasing by the increase of profits in the years 2012 and 2013 where ROA was .03% and .26% respectively . In 2014 ROA was negative as the company witnessed losses that decreased its ROA to reach (-3.67%). But from 2015 ROA was increasing to reach .33% and to keep increasing to reach 3% at the end of 2018. That was according to the assumptions indicated the increased profits and operations improvements and market share in the local and regional markets. The reflection of these profits in 2016-2018 led to increased ROE where it was .56% in 2015 and to exceed industry average which is 1.57% to reach 4.4% in 2018. Earnings per share where increasing within that period which started from .64% in 2015 to reach 5.33% in 2018 according to our assumptions.



## Outlook & Valuation

- In order to compute the cost of equity for JOST, we have used The Capital Asset Pricing Model (CAPM).
- The following assumptions have been made in order to arrive at the intrinsic value of Jordan Steel.
  - A risk free rate of 3.5%.
  - A return on the index of 0.02%.
  - Beta ( 7%) has been calculated.
  - The cost of equity derived from the above assumptions using the Capital Asset Pricing Model (CAPM) is 3.2%.
  - The cost of Debt is 3.8%.
  - Based on the above assumptions, the weighted average cost of capital (WACC) works out to be 3.1%.
  - Tax rate of 20%.
  - Cash flow constant growth rate of 0.20% has been assumed.

### - FCF Valuation

ITEM	2012	2013	2014	2015	2016 (F)	2017(F)	2018 (F)
EBIT	1381311	1582126	-1407604	1325508	1924539.401	2676709.093	3620344.649
TAX RATE	0.52910497 7	0	-0.006449034	0.2	0.2	0.2	0.2
NOPAT	650452.475	1582126	-1416681.686	1060406.4	1539631.521	2141367.275	2896275.719
NET OPERATING WORKING CAPITAL	47573778	35007837	29432536	23440401	23,852,260	24,238,526	24,589,744
NET FIXED ASSETS	44020120	42240089	41045842	40516327	39513690.56	38537296.52	37586478.82
TOTAL OPERATIONG CAPITAL	91593898	77247926	70478378	63956728	63,365,951	62,775,822	62,176,223
NOPAT		1582126	-1416681.686	1060406.4	1,539,632	2,141,367	2,896,276
NET OPERATING CAPITAL		-14345972	-6769548	6,521,650-	590,777-	590,129-	599,599-
FREE CASH FLOW (FCF)		15,928,098.00	5,352,866	7,582,056	2,130,409	2,731,496	3,495,875

## - Valuation of JOST

Based on our future earnings projections and the above assumptions, the value of Jordan Steel Company comes out to be 1.01 JD per share.

ASSUMPTIONS	
WACC	3%
CASH FLOW CONSTANT RATE	0.20%
VALUE OF OPERATIONS AT THE END OF 2018	124,852,676
ADD-VALUE OF NON OPERATING ASSETS	0
TOTAL CORPORATE VALUE	124,852,676
LESS: VALUE OF INTEREST -BEARING DEBT	89,589,060
INTRINSIC VALUE OF THE FIRM'S EQUITY	35,263,616
NUMBER OF SHAES OUTSTANDING	35,000,000.00
INTRINSIC VALUE PER SHARE	1.01

The stock closed at JD 0.47 on December 31, 2015 in Amman Stock Exchange. We recommend our "**BUY**" on JOSTs stock at its current price levels.

## **References:**

- 1- World Steel Association report 2015.**

## **Websites:**

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- 2- [www.steelorbis.com](http://www.steelorbis.com)**
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- 18- [www.jordanyp.com](http://www.jordanyp.com)**
- 19- [www.indexmundi.com](http://www.indexmundi.com)**
- 20- [www.financierworldwide.com](http://www.financierworldwide.com)**



# Appendix

## BALANCE SHEET

Assets (JD)	2012	2013	2014	2015	2016(f)	2017(f)	2018(f)
Cash on Hand & at Banks	1896302	414097	975326	921158	933,951	946,922	960,073
Account Receivables, Net	12561869	7148144	7698133	6228498	6,377,982	6,531,054	6,687,799
Notes Receivable	0	0	0	0	0	0	0
Post Dated Cheques	0	0	0	0	0	0	0
Short Term Investments	0	0	0	0	0	0	0
Inventory	33115607	27445596	20759077	16290745	16,540,327	16,760,550	16,941,872
Spare Parts	0	0	0	0	0	0	0
<b>Total Current Assets</b>	<b>47573778</b>	<b>41047829</b>	<b>33477046</b>	<b>27295627</b>	<b>23852260</b>	<b>24238526</b>	<b>24589744</b>
Long Term Investments	0	0	0	0	0	0	0
Fixed Assets, Net	43923595	42117064	40801235	39586292	38,570,615	37,580,997	36,616,770
Lands	96525	123025	244607	930035	943,076	956,300	969,709
Projects in Progress	0	0	0	0	0	0	0
<b>Total Fixed Assets</b>	<b>44020120</b>	<b>42240089</b>	<b>41045842</b>	<b>40516327</b>	<b>39,513,691</b>	<b>38,537,297</b>	<b>37,586,479</b>
Other Assets	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>91593898</b>	<b>83287918</b>	<b>74522888</b>	<b>67811954</b>	<b>63,365,951</b>	<b>62,775,822</b>	<b>62,176,223</b>

Liabilities & Owners Equity	2012	2013	2014	2015	2016 (f)	2017 (f)	2018 (f)
<b>Liabilities (JD)</b>							
Accounts and Notes Payable	8256110	3310875	4303227	4,158,230	4,221,936	4,278,148	4,324,431
Credit Banks	30202262	29293396	26208285	18239035	15,567,114	13,286,615	11,340,197
Short Term Loans	0	0	0	0	0	0	0
Accrued Part of Long Term Loans	3550000	3550000	0	0	0	0	0
<b>Total Current Liabilities</b>	<b>43614142</b>	<b>40567162</b>	<b>34536004</b>	<b>27600850</b>	<b>19,789,050</b>	<b>17,564,763</b>	<b>15,664,628</b>
Long Term Loans & Notes Payable	3550000	0	0	0	0	0	0
Corporate Bonds	0	0	0	0	0	0	0
Other Liabilities	0	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>47164142</b>	<b>40567162</b>	<b>34536004</b>	<b>27600850</b>	<b>19,789,050</b>	<b>17,564,763</b>	<b>15,664,628</b>

Shareholders Equity (JD)	2012	2013	2014	2015	2016 (f)	2017 (f)	2018 (f)
Paid-in Capital	35000000	35000000	35000000	35000000	35000000	35000000	35000000
Compulsory Reserves	5994814	6049293	6050083	6075043	6,100,106	6,125,272	6,150,543
Voluntary Reserve	622	0	0	0	0	0	0
Other Reserves	0	0	0	0	0	0	0
Issuance Premium	1509320	1509320	1509320	1509320	1509320	1509320	1509320
Issuance Discount	0	0	0	0	0	0	0
Treasury Stocks	0	0	0	0	0	0	0
Proposed Cash Dividends	1925000	0	0	0	0	0	0
Proposed Stock Dividends	0	0	0	0	0	0	0
Accumulated Change in Fair Value	0	0	0	0	0	0	0
Retained Earnings	0	162143	-2572519	2,373,259-	1,865,129-	1,356,999-	247,133-
<b>Total Shareholders' Equity</b>	<b>44429756</b>	<b>42720756</b>	<b>39986884</b>	<b>40211104</b>	<b>40,744,297</b>	<b>41,277,594</b>	<b>42,412,730</b>
Minority Interest	0	0	0	0	0	0	0
Adjusted Balance					2,832,604	3,933,465	4,098,866
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>91593898</b>	<b>83287918</b>	<b>74522888</b>	<b>67811954</b>	<b>63,365,951</b>	<b>62,775,822</b>	<b>62,176,223</b>

Income Statement (JD)	2012	2013	2014	2015	2016 (f)	2017 (f)	2018 (f)
Operating Revenues	97,870,965	94,578,854	102,219,555	66,327,232	67,919,086	69,549,144	71,218,323
Cost of goods sold	95,017,448	91,370,173	101,128,842	63,874,149	64,852,732	65,716,201	66,427,145
<b>Gross Profit</b>	<b>2853517</b>	<b>3,208,681</b>	<b>1,090,713</b>	<b>2,453,083</b>	<b>3,066,354</b>	<b>3,832,942</b>	<b>4,791,178</b>
General and Administrative Expenses	1,449,545	1,451,643	1,904,173	1,106,714	1,125,180	1,143,955	1,163,042
Selling and Distribution Expenses	148,072	150,534	132,717	139,412	139,705	139,999	140,293
Depreciation (period)	3,230,408	3,153,534	2,067,910	881,124	900,286	919,865	939,870
Other Operating Expenses	641,723	83,964	609,630	1,205,138	1,227,035	1,249,330	1,272,029
Net Operating Income	614,177	1,522,540	1,555,807-	1,819	574,434	1,299,659	2,215,813
Other Revenues	767,134	59,586	148,203	1,323,689	1,350,106	1,377,050	1,404,531
Other Expenses	0	0	0	0	-	-	-
<b>Income Before Interest &amp; Tax</b>	<b>1381311</b>	<b>1582126</b>	<b>-1407604</b>	<b>1325508</b>	<b>1,924,539</b>	<b>2,676,709</b>	<b>3,620,345</b>
Interest Expenses	1258789	1282825	1286908	1058196	1,289,377	1,289,377	1,289,377
<b>Net Income before Tax</b>	<b>122522</b>	<b>299301</b>	<b>-2694512</b>	<b>267312</b>	<b>635,163</b>	<b>1,387,332</b>	<b>2,330,968</b>
Income Tax (Period)	64827	0	17377	28103	127,033	277,466	466,194
Income Tax ( Previous Years)	29033	83301	21983	14989	-	-	-
Universities and Research Train Fees	0	0	0	0	-	-	-
Board of Directors Remuniration	0	0	0	0	-	-	-
<b>Net Income</b>	<b>28662</b>	<b>216000</b>	<b>-2733872</b>	<b>224220</b>	<b>508,130</b>	<b>1,109,866</b>	<b>1,864,774</b>
Non-controlling Interest	0	0	0	0	-	-	-
<b>Net Income Pertains to Shareholders</b>	<b>28662</b>	<b>216000</b>	<b>-2733872</b>	<b>224220</b>	<b>508,130</b>	<b>1,109,866</b>	<b>1,864,774</b>

## Ratio Analysis results (2012 – 2018)

Disposition of earnings	2012	2013	2014	2015	2016 (f)	2017 (f)	2018 (f)
Earning Per Share (JD)	0.08%	0.62%	-7.81%	0.64%	1.45%	3.17%	5.33%
Dividend Per Share (JD)	0.055	0	0	0	0	0	0
Book Value Per Share (JD)	1.27	1.22	1.14	1.15	1.16	1.18	1.21
Dividend Yield %	417%	0	0	0	0	0	0
Profitability ratio							
Gross Margin %	2.92%	3.39%	1.07%	3.70%	4.51%	5.51%	6.73%
Margin Before Interest and Tax %	1.41%	1.67%	-1.38%	2.00%	2.83%	3.85%	5.08%
Profit Margin %	0.03%	0.23%	-2.67%	0.34%	0.75%	1.60%	2.62%
Return on Equity %	0.06%	0.51%	-6.84%	0.56%	1.25%	2.69%	4.40%
Return on Assets %	0.03%	0.26%	-3.67%	0.33%	0.80%	1.77%	3.00%
leverage ratios							
Debit Ratio %	51.49%	48.71%	46.34%	40.70%	31.23%	27.98%	25.19%
Equity Ratio %	48.51%	51.29%	53.66%	59.30%	64.30%	65.75%	68.21%
Total debt to equity ratio	106.15%	94.96%	86.37%	68.64%	48.57%	42.55%	36.93%
Long term debt to equity ratio	7.99%	0	0	0	0	0	0
Interest Coverage Ratio (Times)	1.10	1.23	-1.09	1.25	1.49	2.08	2.81
Asset Management Ratio							
Total Assets Turnover (Times )	1.07	1.14	1.37	0.98	1.07	1.11	1.15
Fixed Assets Turnover (Times)	2.22	2.24	2.49	1.64	1.72	1.80	1.89
Inventory turnover	5.74	3.02	4.20	3.45	3.95	3.95	3.94
Working Capital Turnover (Times)	24.72	196.77	-96.53	-217.31	16.72	10.42	7.98
Liquidity Ratio							
Current Ratio (Times)	1.09	1.01	0.97	0.99	1.21	1.38	1.57
Working Capital (JD)	3959636	480667	-1058958	-305223	4,063,210	6,673,762	8,925,116
Quick ratio	0.33	0.34	0.37	0.40	0.37	0.43	0.49
Absolute liquid ratio	0.23	0.13	0.23	0.22	0.22	0.22	0.22

## Global Equity Ratings Definitions

<b>Global Rating</b>	<b>Definition</b>
<b>Buy</b>	Fair value of the stock is >10% from the current market price
<b>Hold</b>	Fair value of the stock is between +10% and -10% from the current market price
<b>Reduce</b>	Fair value of the stock is between -10% and -20% from the current market price
<b>Sell</b>	Fair value of the stock is < -20% from the current market price

### **JOST Profile**

<b>Code:</b>	141070
<b>Symbol:</b>	JOST
<b>Address:</b>	4619380
<b>Telephone:</b>	Amman - Jabal Amman -2nd Circle
<b>P.O. Box:</b>	(35165) Amman 11180
<b>Email:</b>	info@jordansteelpc.com
<b>Fax:</b>	4619384
<b>Established Date :</b>	23/11/1993
<b>Listing Date:</b>	08/01/1995
<b>No. of Branches:</b>	Local 4 - Abroad 0
<b>Main Objectives:</b>	Producing steel bars/light sections billets/ wire mesh/ cut & bend
<b>General Manager:</b>	Imad Badran

### **No. of Employees**

	<b>Male</b>	<b>Female</b>	<b>Total</b>
<b>Jordanian</b>	527	12	539
<b>Non Jordanian</b>	78	0	78
<b>Total</b>	605	12	617

Source: Amman Stock Exchange.

**Total Production of Crude Steel \***

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Austria	7 129	7 578	7 594	5 662	7 206	7 474	7 421	7 953	7 876	7 687
Belgium	11 631	10 692	10 673	5 635	7 973	8 026	7 301	7 093	7 331	7 257
Bulgaria	2 123	1 909	1 330	726	737	835	633	523	612	543
Croatia	81	75	89	43	95	96	1	135	167	122
Czech Republic	6 862	7 059	6 387	4 594	5 180	5 583	5 072	5 171	5 360	5 262
Germany	47 224	48 550	45 833	32 670	43 830	44 284	42 661	42 645	42 943	42 676
Finland	5 054	4 431	4 417	3 066	4 029	3 989	3 759	3 517	3 807	3 988
France	19 852	19 250	17 879	12 840	15 414	15 780	15 609	15 685	16 143	14 984
Greece	2 416	2 554	2 477	2 000	1 821	1 934	1 247	1 030	1 022	910
Hungary	2 084	2 227	2 097	1 403	1 678	1 746	1 542	883	1 152	1 675
Italy	31 624	31 553	30 590	19 848	25 750	28 735	27 252	24 093	23 714	22 018
Latvia	690	696	635	692	655	568	805	198		
Luxembourg	2 802	2 858	2 582	2 141	2 548	2 521	2 208	2 090	2 193	2 127
Netherlands	6 372	7 368	6 853	5 194	6 651	6 937	6 879	6 713	6 964	6 995
Poland	10 008	10 632	9 728	7 128	7 993	8 779	8 366	7 950	8 558	9 198
Portugal	1 719	1 853	2 017	1 614	1 543	1 942	1 960	2 050	2 070	2 030
Romania	6 266	6 261	5 035	2 761	3 721	3 828	3 292	2 985	3 158	3 352
Slovak Republic	5 093	5 089	4 489	3 747	4 583	4 236	4 403	4 511	4 705	4 562
Slovenia	628	638	642	430	606	648	632	618	615	604
Spain	18 391	18 999	18 640	14 358	16 343	15 504	13 639	14 252	14 249	14 845
Sweden	5 466	5 673	5 198	2 804	4 846	4 867	4 326	4 404	4 539	4 374
United Kingdom	13 871	14 317	13 521	10 079	9 709	9 478	9 579	11 858	12 120	10 907
<b>European Union (28)</b>	<b>207 386</b>	<b>210 260</b>	<b>198 705</b>	<b>139 436</b>	<b>172 911</b>	<b>177 791</b>	<b>168 589</b>	<b>166 356</b>	<b>169 301</b>	<b>166 115</b>
Albania (e)	206	263	250	221	390	464	500	550	560	550 e
Bosnia-Herzegovina	490	533	608	519	592	649	700	722	793	819
Macedonia	354	359	253	270	292	396	217	100	188	121
Montenegro (e)		174	170	130	130	140	120	70	140	150 e
Norway	684	708	560	595	530	610	700	605	600	590
Serbia		1 478	1 662	1 061	1 254	1 324	346	396	583	955
Serbia and Montenegro	1 823									
Switzerland	1 252	1 264	1 312	934	1 320	1 400	1 450	1 530	1 475	1 475 e
Turkey	23 315	25 754	26 806	25 304	29 143	34 107	35 885	34 654	34 035	31 517
<b>Other Europe</b>	<b>28 124</b>	<b>30 533</b>	<b>31 621</b>	<b>29 034</b>	<b>33 650</b>	<b>39 079</b>	<b>39 917</b>	<b>38 627</b>	<b>38 374</b>	<b>36 178</b>
Azerbaijan (e)	300	150	150	120	120	120	120	173	180	180 e
Byelorussia	2 324	2 410	2 589	2 417	2 530	2 614	2 687	2 245	2 513	2 510
Kazakhstan	4 269	4 782	4 250	4 146	4 220	4 699	3 676	3 275	3 681	3 910
Moldova	677	965	885	426	240	313	335	190	351	443
Russia	70 830	72 387	68 510	60 011	66 942	68 852	70 209	69 008	71 461	70 898
Ukraine	40 891	42 830	37 279	29 855	33 432	35 332	32 975	32 771	27 170	22 968
Uzbekistan	617	645	682	716	716	733	736	746	723	643
<b>C.I.S.</b>	<b>119 908</b>	<b>124 169</b>	<b>114 345</b>	<b>97 691</b>	<b>108 200</b>	<b>112 663</b>	<b>110 739</b>	<b>108 408</b>	<b>106 079</b>	<b>101 552</b>
Canada	15 493	15 572	14 945	9 292	13 009	12 891	13 507	12 417	12 730	12 473
Cuba	257	268	279	267	278	282	277	322	256	284
El Salvador	72	73	71	56	64	97	72	118	121	124
Guatemala	292	349	250	224	274	294	334	385	395	403
Mexico	16 447	17 573	17 209	14 132	16 870	18 110	18 073	18 242	18 930	18 225
Trinidad and Tobago	673	682	489	417	572	603	628	616	487	591
United States	98 188	98 101	91 895	59 394	80 495	86 398	88 695	86 878	88 174	78 845
<b>North America</b>	<b>131 421</b>	<b>132 618</b>	<b>125 138</b>	<b>83 772</b>	<b>111 562</b>	<b>118 675</b>	<b>121 586</b>	<b>118 978</b>	<b>121 093</b>	<b>110 945</b>

(continued)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Argentina	5 533	5 387	5 541	4 013	5 138	5 611	4 995	5 186	5 488	5 028
Brazil	30 901	33 782	33 716	26 506	32 948	35 220	34 524	34 163	33 897	33 256
Chile	1 607	1 678	1 549	1 308	1 011	1 615	1 671	1 323	1 079	1 112
Colombia	1 211	1 245	1 053	1 052	1 208	1 287	1 302	1 236	1 208	1 211
Ecuador	85	87	128	259	372	463	425	570	667	720
Paraguay	115	95	83	54	59	30	44	45	47	48
Peru	896	881	1 110	718	880	877	981	1 069	1 078	1 082
Uruguay	57	71	86	57	65	81	78	91	94	97
Venezuela	4 864	5 005	4 224	3 808	2 207	2 980	2 359	2 139	1 485	1 345
<b>South America</b>	<b>45 269</b>	<b>48 232</b>	<b>47 490</b>	<b>37 776</b>	<b>43 888</b>	<b>48 165</b>	<b>46 379</b>	<b>45 822</b>	<b>45 043</b>	<b>43 899</b>
Algeria	1 158	1 278	619	597	662	551	557	417	415	650
D.R. Congo (e)	30	30	30	30	30	30	30	30	30	30 e
Egypt	6 045	6 224	6 198	5 541	6 676	6 485	6 627	6 754	6 485	5 506
Ghana (e)	25	25	25	25	25	25	25	25	25	25 e
Kenya (e)	20	20	20	20	20	20	20	20	20	20 e
Libya	1 151	1 250	1 137	914	825	100	315	712	712	352
Mauritania (e)	5	5	5	5	5	5	5	5	5	5 e
Morocco	314	512	478	499	485	654	539	558	501	516
Nigeria (e)	100	100	100	100	100	100	100	100	100	100 e
South Africa	9 718	9 098	8 246	7 484	7 617	7 546	6 938	7 162	6 412	6 417
Tunisia	75	80	82	155	150	150	150	150	150	50 e
Uganda (e)	30	30	30	30	30	30	30	30	30	30 e
Zimbabwe	24	23								
<b>Africa</b>	<b>18 695</b>	<b>18 675</b>	<b>16 970</b>	<b>15 400</b>	<b>16 624</b>	<b>15 696</b>	<b>15 337</b>	<b>15 963</b>	<b>14 885</b>	<b>13 701</b>
Iran	9 789	10 051	9 964	10 908	11 995	13 197	14 463	15 422	16 331	16 146
Israel (e)	300	300	300	300	300	300	300	300	300	300 e
Jordan (e)	150	150	150	150	150	150	150	150	150	150 e
Oman (e)						200	300	500	1 500	2 000 e
Qatar	1 003	1 147	1 406	1 448	1 970	2 038	2 145	2 236	3 019	2 593
Saudi Arabia	3 974	4 644	4 667	4 690	5 015	5 275	5 203	5 471	6 291	5 229
Syria (e)	70	70	70	70	70	70	10	10	5	5 e
United Arab Emirates	90	90	90	200	500	2 000	2 408	2 878	2 390	3 006
<b>Middle East</b>	<b>15 376</b>	<b>16 452</b>	<b>16 646</b>	<b>17 766</b>	<b>20 000</b>	<b>23 230</b>	<b>24 979</b>	<b>26 967</b>	<b>29 986</b>	<b>29 429</b>
Bangladesh (e)			50	70	78	85	87	84	90	100 e
China (1)	421 024	489 712	512 339	577 070	638 743	701 968	731 040	822 000	822 750	803 825
India	49 450	53 468	57 791	63 527	68 976	73 471	77 264	81 299	87 292	89 026
Indonesia	3 759	4 160	3 915	3 501	3 664	3 621	2 254	2 644	4 428	4 864
Japan	116 226	120 203	118 739	87 534	109 599	107 601	107 232	110 595	110 666	105 134
D.P.R. Korea (e)	1 400	1 400	1 300	1 300	1 300	1 300	1 280	1 250	1 250	1 250 e
South Korea	48 455	51 517	53 625	48 572	58 914	68 519	69 073	66 061	71 543	69 670
Malaysia	5 834	6 895	6 423	5 354	5 694	5 941	5 612	4 693	4 316	3 784
Mongolia (e)	35	35	35	35	35	35	35	40	45	45 e
Myanmar (e)	25	25	25	25	25	25	25	30	35	35 e
Pakistan (e)	1 040	1 090	1 000	1 200	1 400	1 592	1 631	1 845	2 423	2 892
Philippines	558	718	711	824	1 050	1 200	1 260	1 308	1 196	968
Singapore	607	640	764	664	728	752	688	434	540	501
Sri Lanka (e)	30	30	30	30	30	30	30	30	30	30 e
Taiwan, China	20 000	20 903	19 882	15 814	19 755	20 178	20 664	22 282	23 121	21 392
Thailand	4 914	5 565	5 211	3 646	4 145	4 238	3 328	3 579	4 095	3 718
Viet Nam	1 889	2 024	2 250	2 700	4 314	4 900	5 298	5 474	5 847	5 647
<b>Asia</b>	<b>675 226</b>	<b>758 385</b>	<b>784 090</b>	<b>811 866</b>	<b>918 449</b>	<b>995 457</b>	<b>1 026 801</b>	<b>1 123 646</b>	<b>1 139 667</b>	<b>1 112 872</b>
Australia	7 881	7 939	7 625	5 249	7 296	6 404	4 893	4 688	4 607	4 925
New Zealand	810	845	799	765	853	844	912	900	859	793
<b>Oceania</b>	<b>8 691</b>	<b>8 783</b>	<b>8 424</b>	<b>6 014</b>	<b>8 149</b>	<b>7 248</b>	<b>5 805</b>	<b>5 588</b>	<b>5 466</b>	<b>5 717</b>
<b>World</b>	<b>1 250 098</b>	<b>1 348 108</b>	<b>1 343 429</b>	<b>1 238 755</b>	<b>1 433 433</b>	<b>1 538 003</b>	<b>1 560 131</b>	<b>1 650 354</b>	<b>1 669 894</b>	<b>1 620 408</b>

\* - Includes all qualities: carbon, stainless, and other alloy.

(1) - 2013-15 figures are not necessarily comparable with earlier data.