Dubai Investments, BILDCO sign MoU for AED 250 million steel plant in Abu Dhabi

- Plant to produce 300,000 metric tonnes of steel per annum
- Project in Musaffah ICAD III to go on stream by end of 2017

Dubai, May 17, 2016: Dubai Investments PJSC [DI], the leading, diversified investment conglomerate listed on the Dubai Financial Market [DFM], has announced a Joint Venture with Abu Dhabi National Company for Building Materials PSC [BILDCO] for setting up a steel plant in Musaffah, Abu Dhabi at a cost of AED 250 million.

Dubai Investments' wholly-owned subsidiary Dubai Investments Industries [DII] holds 51% stake in the joint venture and the remaining is held by BILDCO. A Memorandum of Understanding to this effect was signed by Mohammed Al Raqbani, General Manager of Dubai Investments Industries [DII], and Dr Nasser Saif Al Mansoori, Board Member of BILDCO, in April 2016.

The new plant, expected to go on stream by the end of 2017 at Industrial City of Abu Dhabi [ICAD] III in Musaffah, will produce 300,000 metric tonnes of reinforced steel bars per annum, once fully operational.

According to industry estimates, the steel sector in the UAE has witnessed a steady upswing over the past few years; and is expected to grow by nearly 5% in the next three to four years, thanks mainly to growing demand from the oil & gas and construction sector, with anticipated surge expected from the infrastructure developments for Expo 2020.

Khalid Bin Kalban, Managing Director and CEO of Dubai Investments, said: "Dubai Investments' joint venture for the BILDCO steel plant is a major step forward to not only cater to the domestic demand for steel with the rampant construction across the UAE, but also capitalize on the surging market requirements for steel across the Middle East. Dubai Investments has a strong portfolio in the building materials domain and this joint venture with BILDCO for the steel rebars is a strategic fit to further strengthen the company's leadership in the sector."

Saif Darwish Al Ketbi, Chairman of BILDCO, said: “Since its inception, Abu Dhabi National Company for Building Materials has contributed significantly to the growth and building of infrastructure in the UAE, earning an unmatched reputation as an innovative company. BILDCO’s joint venture with Dubai Investments is aimed at creating new demand for steel across the UAE and region and is a significant milestone in its growth plans.”

The construction sector is the biggest consumer of steel in the Middle East, accounting for an estimated 90 per cent of steel use. As a result, the market for steel rebars in the UAE & GCC is expected to grow consistently in the next decade.

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