

Saudi Arabia Steel Strap Market Segmented By Type (Regular Steel, High Tensile Steel, Stainless Steel, Galvanized (Zinc-Coated) Steel), By Application (Consumer Goods, Automotive, Manufacturing, Healthcare, Construction & Real Estate, Others), By Region, Competition, Forecast and Opportunities, 2019-2029F

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Abstracts

Saudi Arabia Steel Strap Market was valued at USD 59.10 million in 2023 and is anticipated to project robust growth in the forecast period with a CAGR of 7.90% through 2029. The steel strap market is a sector of the global manufacturing and packaging industry that specializes in the production, distribution, and application of steel straps, also known as steel banding or metal strapping. Steel straps are flat metal strips made from various grades of steel, typically characterized by their high tensile strength and durability. They are used for a wide range of applications, including bundling, securing, and reinforcing various materials and products in diverse industries. In the steel strap market, manufacturers produce steel straps in different sizes, thicknesses, and finishes to cater to the specific needs of various sectors such as construction, manufacturing, logistics, and agriculture. These steel straps are essential for securing loads during transportation, reinforcing materials in the construction industry, and ensuring the safe and stable packaging of goods for distribution.

The market is influenced by factors such as infrastructure development, manufacturing growth, government policies, and the demand for safe and efficient packaging and bundling solutions. It plays a crucial role in supporting the broader industrial and economic activities of a region or country. The steel strap market is dynamic, with players constantly innovating to meet evolving industry demands while adhering to

quality and safety standards.

Key Market Drivers

Infrastructure Expansion:

Saudi Arabia has embarked on an ambitious journey to transform its infrastructure. The Vision 2030 initiative, led by the government, aims to diversify the economy and reduce its dependence on oil. A pivotal part of this initiative is investing in infrastructure development. Projects like the Riyadh Metro, NEOM, Red Sea Project, and Qiddiya are creating significant demand for steel straps. These straps are essential for securing construction materials, reinforcing structures, and ensuring safety in the construction process. As Saudi Arabia continues to build world-class infrastructure, the steel strap market benefits from this substantial growth.

Manufacturing Boom:

The Kingdom of Saudi Arabia has been actively fostering a thriving manufacturing sector. The growth of industries such as petrochemicals, automotive manufacturing, and construction materials production has spurred the demand for steel straps. Steel straps are indispensable for bundling, packaging, and securing manufactured goods, making them a fundamental part of production processes. Moreover, with the goal of diversifying the economy and increasing non-oil exports, the production of goods has surged. As industries expand and diversify, the steel strap market experiences significant growth.

Logistics and Transportation Growth:

Saudi Arabia's strategic location at the crossroads of Europe, Asia, and Africa has made it a logistics hub. This geographic advantage, combined with growing international trade, has driven substantial expansion in the logistics and transportation sectors. Steel straps play a crucial role in securing goods during transit, preventing damage, and ensuring safe deliveries. As logistics and transportation networks continue to expand, the demand for steel strapping solutions intensifies.

Oil and Petrochemical Industry:

As one of the world's leading oil and petrochemical producers, Saudi Arabia's energy sector is a significant driver for the steel strap market. These industries rely heavily on

steel straps to secure heavy equipment, pipelines, and materials used in their operations. Variations in oil prices and production levels can influence the demand for steel straps. Fluctuations in these sectors have a direct impact on the steel strapping market, making it closely tied to the energy industry's performance.

Construction Sector Growth:

The construction industry has long been a key consumer of steel straps. As Saudi Arabia invests heavily in residential, commercial, and infrastructure projects, the demand for steel strapping remains robust. Steel straps are critical for securing a wide range of construction materials, from steel beams to concrete reinforcement and other structural components. The growth of this sector is intrinsically linked to the health and prosperity of the steel strap market.

Government Initiatives and Regulations:

Government policies and regulations play a pivotal role in shaping the steel strap market in Saudi Arabia. Regulations related to packaging, safety, and quality standards impact the demand for steel strapping solutions. Additionally, the Saudi Arabian government's support for local manufacturing and industrialization programs influences the growth and competitiveness of the steel strapping industry. Government initiatives designed to encourage domestic production and exports further shape the dynamics of the steel strap market.

The Saudi Arabia steel strap market is propelled by various factors, including infrastructure development, manufacturing expansion, logistics and transportation growth, the oil and petrochemical industry, the construction sector, and government policies and initiatives. These drivers collectively fuel the demand for steel strapping solutions in the country, underpinning the industry's continued growth and evolution.

Government Policies are Likely to Enhance the Market in the Upcoming Years

Saudization Policy:

Saudization, officially known as the Saudi Nationalization Scheme or Nitaqat, is a central government policy aimed at increasing employment opportunities for Saudi nationals in the private sector. This policy has had significant implications for the steel strap market and various industries in the country. As per Saudization requirements, companies operating in Saudi Arabia are required to meet specific quotas for Saudi

employees. In the steel strap market, this policy has led to the recruitment and training of Saudi nationals in manufacturing and sales roles. Companies have also been incentivized to invest in skill development programs to meet Saudization quotas while ensuring that the workforce remains proficient and competitive.

Industrial Development Fund (IDF):

The Industrial Development Fund (IDF) is a government initiative designed to support and finance industrial projects within Saudi Arabia. It provides low-cost financing and technical support to companies seeking to establish or expand manufacturing operations in the country. The IDF has been instrumental in encouraging local production of steel straps. Companies in this sector have benefited from favorable financing terms and technical assistance, which has fostered the growth and competitiveness of the domestic steel strap manufacturing industry.

Quality Standards and Regulations:

The Saudi Arabian Standards Organization (SASO) is responsible for setting and enforcing quality standards and regulations in the country. Government policies related to quality standards are particularly relevant to the steel strap market. Steel straps must meet specific quality and safety criteria to be sold in the Saudi market. These standards ensure the safety and reliability of steel strapping for various applications, including construction and packaging. The government's commitment to stringent quality standards promotes trust in domestically produced and imported steel straps.

Export Promotion Policies:

Saudi Arabia has sought to expand its non-oil exports as part of its economic diversification efforts. Government policies to promote exports have stimulated the growth of the steel strap market. Export subsidies, financial incentives, and trade facilitation measures have encouraged steel strap manufacturers to target international markets. This has led to increased production and competitiveness in the sector. Government initiatives such as the Saudi Export Development Authority (SEDA) have played a crucial role in supporting businesses in the steel strapping industry to explore new markets.

Taxation Policies:

Saudi Arabia has been gradually implementing taxation policies to diversify its sources

of revenue, including the introduction of a value-added tax (VAT). While VAT is levied on most goods and services, certain exemptions exist. Government taxation policies can affect the cost structure of businesses, including those in the steel strap market. Companies must navigate and adapt to these evolving taxation policies to remain competitive and ensure compliance. The impact of such policies is closely monitored and evaluated to support economic growth and revenue diversification.

Trade and Investment Agreements:

Saudi Arabia has entered into various trade and investment agreements with other countries and regions. These agreements aim to facilitate trade and attract foreign investment. The steel strap market is not exempt from the effects of these agreements. Bilateral and multilateral trade deals can impact the import and export of steel straps, influencing market dynamics. Such agreements also often include provisions related to intellectual property rights and dispute resolution mechanisms, providing further stability and predictability to the steel strap market.

Government policies in Saudi Arabia have a substantial impact on the steel strap market, influencing areas such as workforce composition, industrial financing, quality standards, export promotion, taxation, and international trade relations. The interaction of these policies plays a crucial role in shaping the dynamics of the steel strap market in the country.

Key Market Challenges

Price Volatility in Raw Materials:

The foremost challenges confronting the Saudi Arabia steel strap market is the price volatility in raw materials, primarily steel. Steel straps are manufactured from steel coils, and fluctuations in the prices of steel directly impact the overall production costs of steel strapping. Steel is a globally traded commodity, and its prices are influenced by a variety of factors, including international demand, geopolitical events, trade disputes, and supply chain disruptions.

In recent years, the steel industry has witnessed significant price swings due to factors like tariffs, sanctions, and supply chain disruptions. For the steel strap market in Saudi Arabia, these price fluctuations present a considerable challenge. Manufacturers may struggle to maintain consistent pricing for their products, which can affect the cost-effectiveness of steel straps for end-users, including those in construction,

manufacturing, and logistics.

To mitigate the impact of raw material price volatility, many companies in the steel strap market have adopted strategies such as long-term contracts with steel suppliers, hedging against price fluctuations, and diversifying their sources of steel. These approaches help stabilize costs and maintain competitiveness. However, managing price volatility remains an ongoing challenge that demands vigilance and adaptability.

Competition from Imported Products:

Significant challenge facing the Saudi Arabia steel strap market is competition from imported steel strapping products. While the domestic manufacturing of steel straps has grown, Saudi Arabia still imports a significant portion of its steel strapping needs. These imports often come from countries with lower production costs, such as China.

The competition from imported steel strapping products can lead to several challenges:

Price Competition: Imported steel straps may be priced lower due to lower manufacturing costs in other countries. This price competition can make it difficult for domestic manufacturers to maintain their market share and profit margins.

Quality and Standards: Ensuring that imported steel straps meet the required quality and safety standards can be a challenge. While Saudi Arabia has established stringent standards for steel strapping, ensuring compliance among imported products can be a concern.

Market Share: Imported products may have a significant market share, limiting the growth opportunities for domestic manufacturers. This situation can pose challenges to the expansion and sustainability of the domestic steel strap industry.

To address these challenges, domestic manufacturers often focus on product differentiation, emphasizing quality and adherence to local standards. They may also work closely with local distributors and end-users to provide value-added services and support. Additionally, efforts to enhance the competitiveness of domestic steel strapping production through improved technology and innovation are ongoing to counter the competitive pressure from imported products.

The Saudi Arabia steel strap market faces challenges related to the price volatility of raw materials, especially steel, and competition from imported steel strapping products.

Strategies to address these challenges often revolve around supply chain management, quality assurance, and differentiation in a competitive market landscape. Overcoming these challenges is essential for the continued growth and success of the domestic steel strap industry in Saudi Arabia.

Key Market Trends

Shift Towards Lightweight and High-Tensile Steel Strap Solutions

In recent years, the Saudi Arabia Steel Strap Market has witnessed a notable trend towards the adoption of lightweight and high-tensile steel strap solutions. This trend is driven by the increasing demand for packaging materials that offer superior strength, durability, and cost-effectiveness across various industries such as logistics, construction, manufacturing, and agriculture.

The key drivers behind this trend is the rising emphasis on sustainability and eco-friendly packaging solutions. Lightweight steel strap products require fewer raw materials and energy resources during manufacturing and transportation compared to traditional steel straps, thereby reducing the overall carbon footprint and environmental impact associated with packaging operations. Additionally, lightweight steel straps contribute to lower shipping costs and reduced fuel consumption, further enhancing their eco-friendly credentials.

Lightweight and high-tensile steel strap solutions offer significant advantages in terms of handling, ergonomics, and user safety. Compared to conventional steel straps, which are often heavy and cumbersome to handle, lightweight variants are easier to maneuver, resulting in reduced strain and fatigue for workers during packaging operations. Furthermore, high-tensile steel straps exhibit superior elongation and retention properties, allowing for tighter and more secure bundling of goods without the risk of strap breakage or damage during transit.

Driving factor behind the adoption of lightweight and high-tensile steel strap solutions is the increasing focus on product protection and damage prevention throughout the supply chain. With the proliferation of e-commerce and global trade, ensuring the integrity and safety of packaged goods during transportation has become paramount for businesses. Lightweight steel straps, reinforced with high-tensile strength properties, provide an effective solution for securing palletized loads, heavy machinery, construction materials, and other bulky items, thereby minimizing the risk of product damage, pilferage, and loss during transit.

Technological advancements in steel manufacturing processes, such as hot rolling, cold rolling, and heat treatment, have enabled the production of lightweight steel strap products with enhanced tensile strength, elongation, and corrosion resistance properties. These innovative steel strap solutions offer a compelling alternative to traditional packaging materials such as plastic straps, polyester straps, and nylon straps, catering to the diverse needs of end-users across various industries.

The shift towards lightweight and high-tensile steel strap solutions is a prominent trend in the Saudi Arabia Steel Strap Market, driven by the growing demand for sustainable packaging solutions, ergonomic benefits, product protection requirements, and technological advancements in steel manufacturing processes. As businesses strive to optimize their packaging operations and minimize environmental impact, lightweight steel straps are expected to gain widespread adoption, reshaping the landscape of the steel strap market in the Kingdom.

Segmental Insights

Type Insights

The High Tensile Steel segment emerged as the dominating segment in 2023. High tensile steel straps are known for their exceptional strength and durability. They have a higher tensile strength compared to regular steel straps, which allows them to withstand heavy loads and harsh conditions. This makes them well-suited for demanding applications, such as securing heavy materials in the construction industry. Saudi Arabia has been heavily investing in large-scale infrastructure projects, including the construction of roads, bridges, and public transportation systems. These projects often involve the handling and transportation of heavy materials. High tensile steel straps are preferred in such applications because they provide the strength and reliability needed to secure these materials effectively. In industries where safety is a top priority, such as construction and logistics, high tensile steel straps are preferred due to their superior strength. Ensuring that materials and loads are securely strapped and will not become dislodged during transportation is critical for safety. High tensile steel straps provide a high level of security in this regard. High tensile steel straps are used in various heavy-duty applications beyond construction, including securing machinery, equipment, and metal products. Industries like manufacturing, automotive, and petrochemicals often require strapping solutions that can handle the significant weight and tension associated with their products. High tensile steel straps are less prone to deformation and stretching under heavy loads, which means they maintain their integrity over extended

periods. This durability and longevity are important factors in industries where long-term strapping solutions are required. In certain industries, there are regulatory standards and safety requirements that specify the use of high tensile steel straps due to their superior strength and reliability. Compliance with these standards drives the demand for high tensile steel straps.

Regional Insights

Northern & Central Region

The Northern & Central region held the largest market share in 2023. The dominance of the Northern Region in the Saudi Arabia Steel Strap Market can be attributed to several key factors, making it a formidable hub for steel strap production, distribution, and consumption within the Kingdom.

The Northern Region, encompassing major cities such as Riyadh and Qassim, serves as a strategic logistical center due to its central geographic location within Saudi Arabia. This advantageous positioning facilitates seamless transportation and distribution of steel strap products to various parts of the country, including the Western, Eastern, and Southern regions, as well as neighboring countries in the Gulf Cooperation Council (GCC) region. The well-developed infrastructure, including an extensive network of highways, railways, and ports, enables efficient connectivity and smooth flow of goods, thereby positioning the Northern Region as a logistical powerhouse in the steel strap market.

The Northern Region is home to a thriving industrial ecosystem, characterized by a diverse range of manufacturing, construction, and packaging industries that rely heavily on steel strap for bundling, securing, and packaging their products. Industries such as construction, logistics, manufacturing, and agriculture, which are concentrated in the Northern Region, are significant consumers of steel strap for applications such as bundling steel coils, reinforcing concrete structures, securing palletized goods, and packaging heavy machinery and equipment. The robust demand from these key end-user industries drives the production and consumption of steel strap in the Northern Region, bolstering its dominance in the market.

The Northern Region boasts a cluster of steel manufacturing facilities and steel processing plants, which play a pivotal role in the production of high-quality steel strap products. These facilities leverage advanced manufacturing technologies and adhere to stringent quality control measures to produce steel strap that meets the rigorous

requirements of various industrial applications. The proximity of steel manufacturing plants to major consumption centers in the Northern Region ensures timely supply and reduces transportation costs, further enhancing the region's competitiveness in the steel strap market.

The Northern Region benefits from a conducive business environment characterized by supportive government policies, favorable investment incentives, and robust regulatory frameworks that encourage entrepreneurship, innovation, and industrial growth. The Saudi government's initiatives aimed at diversifying the economy, promoting local manufacturing, and attracting foreign investments have stimulated the growth of the steel strap industry in the Northern Region, attracting domestic and international players to establish manufacturing facilities, distribution centers, and trading hubs in the region.

The dominance of the Northern Region in the Saudi Arabia Steel Strap Market can be attributed to its strategic logistical location, strong industrial base, presence of steel manufacturing facilities, robust demand from key end-user industries, and favorable business environment. As the Kingdom continues to invest in infrastructure development, industrial expansion, and economic diversification initiatives, the Northern Region is poised to maintain its leadership position in the steel strap market, driving growth and innovation in the industry.

Key Market Players

Saudi Steel Pipe Company

Abdullah Al Othaim Markets Co.

Saudi National Steel

Zamil Steel Holding Company Limited

Al Ittifaq Steel

Saudi Iron and Steel Company

Alfanar Steel

Zamil Structural Steel Co.

Signode Industrial Group LLC

Maillis Group

Report Scope:

In this report, the Saudi Arabia Steel Strap Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

Saudi Arabia Steel Strap Market, By Type:

Regular Steel

High Tensile Steel

Stainless Steel

Galvanized (Zinc-Coated) Steel

Saudi Arabia Steel Strap Market, By Application:

Consumer Goods

Automotive

Manufacturing

Healthcare

Construction & Real Estate

Others

Saudi Arabia Steel Strap Market, By Region:

Northern & Central Region

Western Region

Eastern Region

Southern Region

Competitive Landscape

Company Profiles: Detailed analysis of the major companies present in the Saudi Arabia Steel Strap Market.

Available Customizations:

Saudi Arabia Steel Strap Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

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