



ThyssenKrupp Eyes India's Power Sector



ThyssenKrupp India, the diversified German multinational which had recently voiced its interest in pitching for India's upcoming submarine contracts, has now expressed plans to make super critical boilers for the domestic power sector through strategic collaborations with a foreign company.

The Essen-headquartered engineering conglomerate will make the high-grade environment-friendly boilers, which use less fuel, either at its Pune or Hyderabad plants and is currently scouting for an ideal international partner to collaborate which will soon be its future growth area, CEO Michael Thiemann said.

"We are looking at all potential partners. It could be a Finnish expert or any other company. This is still at the planning stage but very much a part of our growth program for India," he added. Boilers are an integral part of thermal power plants and constitute almost a third of the cost of such projects which typically have a benchmark of about `6-8 crore for generating one megawatt of power.

Boiler manufacturing caught up fast in 2006 when Indian companies rushed to join hands with foreign companies to tap India's growing needs for power.

The trend also saw the government announce a multitude of so-called mega power projects with a minimum capacity of 4,000 MW that later was scaled down due to fuel scarcity and liquidity problems for power distribution companies. Indian engineering giant L&T tied up with Japan's Mitsubishi in 2007 and is now one of the leading private contractors for power projects, apart from state-owned NTPC and BHEL.

ThyssenKrupp which had entered India by acquiring Raymond's steel unit near

Nashik in 2000 now wants to bet more on high value industrial solutions including defence, aerospace and elevators, while reducing the exposure on steel. This is part of a unified global plan for ThyssenKrupp which has also identified India as a growth area that could also house increased manufacturing operations for the group. In fact the global board of ThyssenKrupp is slated to meet in India next year.

The shift in focus is paradigm. "Five years back, steel was 60% of ThyssenKrupp's business. Today it is at 30%," said Thiemann, signaling how one of the world's largest steel makers is adapting to address price volatility and leveraging on engineering expertise to grow in the defence sector.

ThyssenKrupp had recently expressed interest in collaborating with Indian partners to pitch for the `60,000-crore upcoming submarine contracts and has been talking to private shipyards including L&T, Anil Ambani's Pipavav and state-owned Hindustan Shipyard and Mazgaon Docks.

To bolster its ageing underwater combat fleet, the Indian government will soon issue tenders for the construction of six stealth submarines, through the 'buy and make in India' process that allows Indian companies to tie-up with foreign collaborators. This is in addition to the six Scorpene submarines currently being constructed at Mazgaon Docks.

Tata Steel UK Demands Urgent Action to Support Scunthorpe Steel Works

TATA Steel has issued a statement following the publication of a report which criticizes the government for inaction over the crisis facing the Scunthorpe steel industry and the rest of the UK. The company, which announced 900 job losses earlier in the year, said they welcomed the report, which demonstrates urgent action is needed on trade, business rates and making sure new procurement guidelines deliver.

The damning report was published, innovation and skills committee which warned the government was not alert enough to the warning bells sounded by the UK Steel Industry.

A Tata Steel spokesman said "We welcome the Business Select Committee's analysis of the issues facing the steel sector and how the government should respond. The Committee quite rightly highlights the need for more to be done to create a level playing field for the UK steel industry. Though a



welcome step was taken to compensate for high energy taxes, the Committee's report demonstrates urgent action is needed on trade, business rates, and making sure new procurement guidelines deliver." The report said the other European countries had moved to safeguard their industries but there was little action in the UK leaving firms like Tata Steel exposed to a perfect storm.

The Committee found that a lack of action at EU level, and a failure by UK Governments to push for EU action, helped leave the UK heavily exposed to Chinese dumping, a global oversupply of steel, and a 'perfect storm' of difficulties for the industry.