



India's Steel Production Hit by Slow Consumption



India's ambition to increase annual steel production to 300 million tonne (mt) by 2025 has been thwarted by slower than expected growth in consumption. Industry participants expect steel demand to rise 4–5% this financial year to 80 mt. It added Indian steel capacity increased by 46% over the previous five years to about 110 mt a year during the fiscal ended March 2015 from levels of 75 mt/year in fiscal 2010.

"Further propelling the overcapacity problem is the new capacity being completed by companies such as Tata Steel, Steel Authority of India Limited and JSW Steel, which will result in an additional 12–14 mt becoming operational in the current fiscal," it said in a report.

Steel demand in India is weak due to a slump in the construction, capital goods and automobile sectors, which are the main consumers of steel. This has resulted in estimated capacity utilization for integrated steelmakers in India falling to 81% in last fiscal from 88% five years back.

"China and Brazil built up steel capacity on the basis that it would easily be absorbed by ongoing urbanization and development," report said. "Is India – already the world's third– largest steel producer – in danger of making the same mistake? Why look to treble production capacity when current utilization rates are not much above 80%?"

Analysts believe that a proper implementation of Prime Minister Narendra Modi's 'Make in India', coupled with aligned infrastructure development, will boost steel demand growth by 10–12% during 2018–2019 to 2024–2025, reaching 160–180 mt by 2024–25.

23 Steel Projects Stuck on Environment Clearance – Vishnu Deo Sai

There are currently 23 steel projects in India that are stalled owing to grant of environment clearance. Minister of State for Steel Mr. Vishnu Deo Sai said in a written reply that "Presently, 23 steel projects are pending due to grant of Environment Clearance, out of which 2 steel projects are from Maharashtra."

The projects stuck include those of major companies like Tata Steel, JSW Steel, Essar Steel and Posco.

Mr. Sai said Tata Steel's expansion of crude steel production from 9.7 million tons per annum to 11 MTPA in East Singhbhum district of Jharkhand is stuck, as JSW Steel's proposed 10 MTPA integrated steel and power plant in the same state.



Similarly, Essar Steel's project of replacement of electric arc furnace of its steel making plant by basic oxygen furnace at Hazira in Gujarat is pending.

Energy Efficiency in India's Secondary Steel Sector



India is one of the largest steel producers in the world. The United Nations Development Programme (UNDP) is partnering with the Ministry of Steel, Government of India and Australian Aid to implement an upscaling project in the small steel industry to leverage new and innovative energy-efficient technologies to ensure energy conservation in the industry.

Till now, 385 units have signed up for the programme and 282 of them already implemented energy efficiency measures. To highlight such achievements and discuss the way forward, a day-long national meet on "Fast tracking energy efficiency in the secondary steel sector" was organized at New Delhi.

The objective of the meet was to share implementation experiences, felicitate units that have adopted the energy efficiency measures, campaign for fast tracking energy efficiency for those who are yet to adopt the measures and deepen energy efficiency in the units that have adopted first set of interventions.

Aruna Sunderarajan, Secretary, Ministry of Steel delivered the keynote address at the inaugural session, followed by special remarks by Yuri Afanasiev, UN Resident Coordinator and Resident Representative, UNDP in India. The plenary and technical sessions discussed and deliberated on the scope, impact and future of advanced technologies in secondary steel sector.