

JSPL to Resume Mining at Australian Coal Mines - Uppal



Jindal Steel and Power will resume mining coal from two of its stalled projects in Australia as it expects to get regulatory clearances from Canberra soon, its chief executive said.

JSPL holds majority stakes in Wollongong Coal Ltd. (WCL) which used to operate Russell Vale Colliery and Wongawilli Colliery in the Southern Coalfields Region of New South Wales.

WCL had to suspend operations at its Russell Vale Colliery in September because of regulatory issues. Wongawilli Colliery was shut for maintenance in August but it now needs government approvals to restart mining.

"Once we get these necessary clearances, we aim to start mining at Wongawilli by end-March and at Russell Vale by June," Ravi Uppal said.

The mining and environmental clearances are likely to come soon, Uppal said.

JSPL bought majority stakes in WCL in 2013 to mine coal, mostly for its operations in India.

Russell Vale Colliery and Wongawilli Colliery have a combined reserve of 500 million tonnes and WCL initially expects to mine a million and a half tonnes from each one of them per year, Uppal said.

Separately, Uppal said India's steel demand is expected to grow at 8-10 percent a year from the next fiscal year beginning in April due to industrial expansion and spending on infrastructure.

Steel demand in India is currently growing at 4 percent a year, according to government and industry estimates.

New Delhi would have to curb cheaper steel imports to boost local demand, he said.

India this month slapped import duties for five years on some stainless steel imports from China, the European Union and the United States to protect local industry.

Indian Steelmakers may Attract Anti-dumping Duty in Canada

Indian steelmakers are at the risk of attracting anti-dumping duty or countervailing duty in Canada after investigation by the Canada Border Services Agency (CBSA) found dumping of certain steel products by steelmakers such as Steel Authority of India Ltd. and Jindal Steel and Power Ltd.

The Canadian International Trade Tribunal is inquiring into the possible injury to the domestic industry and will issue its decision by January 6, 2016. If found guilty India can expect anti-dumping duty on its steel exports to Canada.

The investigation was started after Canadian arm of Indian steelmaker Essar Steel sought anti-dumping and countervailing duty against Indian steel earlier in June, alleging undue benefit through 58 subsidy programmes. The document said CBSA's investigation found subsidies for Indian steelmakers were not insignificant.

The probe found hot-rolled carbon steel plate and high-strength low-alloy steel plate exported from India by SAIL, JSPL and other



steelmakers from India having a subsidy margin of 98.1%, or Rs. 7844 per tonne.

"Enforcing fair trade in Canada's domestic steel market is more critical than ever given current market conditions," said Essar Steel Algoma president and CEO Kalyan Ghosh. "The determinations imposed by the CBSA represent a victory for all Canadian steel producers. It signals clearly that our government will not allow other countries to distort our markets by dumping steel here."

Essar Steel Algoma is undergoing financial restructuring in Canada.

The Indian steel industry is facing the

dumping accusation in Canada at a time when they are fighting against increasing imports from China, Japan and South Korea in the home market. Analysts, however, do not see a major impact of any negative ruling on Indian steel companies as steel export volumes to Canada are miniscule.

While JSPL's annual report did not mention export volumes for the last financial year it mentioned that it had increased sales volumes in Canada. SAIL exported 0.591 million tonnes of steel out of 11.8 million tonne steel produced last financial year, according to its annual report.