



## Leading Figures of Steel Industry to Converge During 53rd NMD

53rd National Metallurgist Day (NMD) and 69th Annual Technical Meeting (ATM) was organized in Coimbatore from November 13 – 16, 2015, will kick off with an international symposium based on the theme of ‘Vision 2025: Global Challenges & Opportunities in Steel Industry’. The symposium scheduled on November 13th was aimed at drawing up a forward strategy for the industry which will be aligned with the Vision 2025 charted for Indian steel. Leaders of the Steel & Mines industry like SAIL, TATA Steel, JSW, ArcelorMittal, ESSAR, top

consultants and technology providers like Primetals, Mecon, Outokumpu, Danieli Corus, SMS Meer etc., R&D institutions and academia were a part of the event.

The event comes at an opportune time, when discussions on Indian steel industry’s challenges, emerging technologies etc. will prove beneficial as it is currently braving challenging times. The symposium aims at generating the roadmap, brainstorming on research & development in steel and also acts as a platform for convergence of technologies and ideas which will qualitatively help the

steel & mines industry. The inaugural session was graced by Chairman of JSW Mr. Sajjan Jindal as chief guest and Joint Secretary, Ministry of Steel, Mr. Sunil Barthwal, CMD MECON, Mr. AK Tyagi and CEO Primetals Mr. Hiroshi Okuno as guests of honor. In the symposium, eminent speakers on wide ranging issues of steel industry like technology, marketing, cost management, R&D etc. would include Mr T.V. Narendran, MD, Tata Steel, Dr. Sanak Mishra, Secy. General, Indian Steel Association, Mr. Sanjay Sharma, CEO-China & India, ArcelorMittal among others. Steering the symposium as well as the eminent panel discussions at the end of the day was the president of IIM, Mr. S.S. Mohanty, Director (Technical), SAIL.

During the event, major industries and equipment suppliers from both India and abroad showcased their capabilities to the august participants. The ATM focused on presentations about cutting-edge and emerging technologies. This year the event assumes greater significance in view of the thrust for ‘Make in India’, and has attracted a large number of professionals and students. The prestigious NMD awards, under the aegis of the Ministry of Steel, were also presented during the conclave which was held on November 14, 2015.

## Sharp Decline in Global Prices Seeks Iron Ore Import Viable



Import of iron ore has again become viable, due to a sharp decline in global prices and a steep fall in freight rates over the past three months.

Since their recent peak in August, the price of ore for Chinese delivery has declined 18 per cent, to \$43.89 a tonne. The benchmark Baltic Dry Index has fallen 53.3 per cent to 528.

However, domestic iron ore miners, led by government-owned NMDC, have not cut prices proportionately. Those of ore lumps are down only 16 per cent since September, to now trade at Rs 2,400 a tonne. Ore fines have seen a negligible decline of six per cent or Rs 100 over three months to Rs 1,560 a tonne.

“Futures prices are currently at \$40 a tonne and below for 2016. Also, freight rates have slumped. So, we find domestic ore prices still lagging. The intensity of the fall in global markets is yet to reflect here. In today’s global world, competitiveness is the buzzword and steel mills are getting ore at a

more competitive rate. Therefore, it is viable to import until prices here fall in line with global markets,” said Jayant Acharya, director (commercial and marketing), JSW Steel.

Steel mills in India have been importing ore for the past few years since a supply deficit erupted due to the ban on mining imposed by the Supreme Court. In 2014-15, they brought in a record level of 15 million tonnes, after global ore prices hit a historic low of \$45 a tonne for the 62 per cent grade. The import slowed after a marginal improvement in global ore prices in August. Also, lower capacity utilisation at steel mills resulted in a substantial fall in ore demand.

As a consequence, the Federation of Indian Mineral Industries (Fimi) forecasts total iron ore import to decline 60 per cent this year to six million tonnes. It says a sharp rise in local production is also a major factor.

“At the current price, import has become viable in Karnataka and other neighbouring states, as transportation from the eastern coast

of Odisha becomes costlier than import,” said R. K Sharma, secretary-general, Fimi.

A price differential between high and low grades of ore is also a factor for local steel mills. As against the \$5-6 a tonne differential between ore lumps and fines in global markets, it works out to \$20 a tonne here. Therefore, there is more room for ore price cuts in home markets, to reduce import.

“Indian steel prices are depressed due to onslaught of cheap imports. If the situation on the pricing of ore continues, steel makers will be forced to look for alternatives,” said H. Shivramkrishnan, chief commercial officer, Essar Steel.

For the period April to August this year, steel mills and traders imported around 2.8 mt of iron ore. JSW Steel, largest importer last year at 10 mt, has imported barely 700,000 tonnes in the first five months of this financial year. The company might import more, depending on prices in the domestic market and the supply situation in Karnataka. Other importers this year include Tata Steel, Essar Steel and KIOCL, beside private traders.