

## India's KIOCL Considers Building Iron Ore Plants in Iran

State-run company KIOCL is considering building an iron ore pellet complex in Iran at a cost of about \$59 million and is in talks to sell more than 2 million tonnes of the steelmaking raw material to the Gulf country now free from trade sanctions.

The potential Indian investment could offer cheaper supplies of processed iron ore to Iranian steel mills that, like most companies around the world, have to contend with cut-price steel from an oversupplied China.

Companies such as KIOCL and aluminium maker NALCO, which is considering setting up a \$2 billion smelter complex in Iran, hope that India's long-held ties with the Middle Eastern country would help them seal new deals.

India had remained one of Iran's top oil buyers during the Western trade curbs and is already in talks to buy more now that the sanctions have been lifted.

KIOCL Chairman Malay Chatterjee said



that he discussed setting up a 1.1 million tonne beneficiation plant for ore purification and a 1.1 million tonne pelletising plant in Iran through a potential joint venture with a local company when he was there in Tehran late last year.

Further government-level talks could take

place soon to pave the way for the project, which could cost about 4 billion rupees (\$59 million), he said.

KIOCL's commercial director, M.V. Subba Rao, flew to Tehran and to scout for more deals after selling 67,000 tonnes of ore pellets to Iran's Mobarakeh Steel Company last month.

"Rao will talk to Mobarakeh and other companies as we have the capacity to export up to 2.5 million tonnes of pellets a year," Chatterjee said. "There is enough demand in Iran, though everybody is facing competition from an oversupplied China steel industry."

Mobarakeh's managing director, Bahram Sobhani, said his company sources pellets from a variety of suppliers, including KIOCL, but declined to give details.

Keyvan Ja'fari Tehrani, head of international affairs at the Iranian Iron Ore Producers and Exporters Association, said the country's steel mills are not aggressively chasing expensive foreign pellets because local steel production has been falling.

However, talks over KIOCL's proposed investment in an Iranian plant could be complicated by plans for two Iranian companies Gol-e-Gohar and Sangan Mines to start their own pellet production from March, which Tehrani said would add more than 5 million tonnes in supplies.

Iran used to import 7-8 million tonnes of pellets a year, with total demand of 28-29 million tonnes, but Tehrani said the new supplies could soon end the country's reliance on imports.

## Linde Signs Contract with Erdemir to Design ASU in Turkey



The Linde Group has signed a contract with Turkish steel producer, Erdemir Group, to build a new air separation unit (ASU) in Iskenderun, southern Turkey.

It will supply up to 1,700 tonnes of oxygen (O<sub>2</sub>) and nitrogen (N<sub>2</sub>) per day to a steel mill run by Isdemir, a subsidiary of

Erdemir. The plant is set to start up in 2017 and will be the largest ASU operated by an industrial gas company in the Middle Eastern country.

It is the first international joint venture undertaken by the Erdemir Group in its 50-year history. The new ASU will be constructed and designed by Linde's Engineering Division and will also be responsible for the operation and maintenance of Isdemir's existing industrial gases production facilities. Dr. Wolfgang Büchele, CEO of the Tier One company, highlighted, "By making this investment, we demonstrate our commitment in the growing Turkish market and our ability to add value thanks to our clear customer focus."