



## Falling Prices and Surging Imports Hit SAIL's Third Quarter

SAIL registered a growth in production of Hot metal, Crude steel and Saleable steel by 2%, 4% and 14% in third quarter of FY'16 over the second quarter of the current year.

SAIL also registered a 6% growth in sales volume over the previous quarter at 2.906 Million Tonnes. Simultaneously, the techno-economic parameters for the third quarter registered growth. There was a 4% growth in BF productivity and 6% growth in continuous casting in the current quarter compared to the previous quarter.

However, the Company incurred a net loss of Rs. 1529 Crores for the third quarter of FY'16 as against a net profit of Rs. 579 Crores over the third quarter of FY'15, primarily due to a 24% decline in Net Sales Realisations over the corresponding period last year. Sales were adversely impacted by huge surge in imports of low priced steel.

Global Steel prices have registered a steep fall over the last year falling from around \$460 to \$280 mainly due to slowing



- P. K. Singh



Chinese consumption which is leading to oversupply of cheap steel into the market. Imports into India are at an annualized rate of 12 million tonnes, which is 20% up over a very high base of FY' 15 when they had surged by 75% over the previous year. The domestic market continues to suffer from the rising imports particularly from China, Japan & Korea at prices which are much lower than the domestic cost of production, affecting the margins of steel producers operating in India.

Chairman, SAIL, Shri PK Singh said

“The global scenario is very challenging and demand-supply imbalance resulting in price adjustments is hurting the domestic steel industry. We are focused on ramping up production from our new units and are adopting cost efficient strategies to improve our NSR. The recent favorable policies announced by government and its concerted efforts to enhance infrastructure spends in viable sectors will improve the domestic demand and provide some relief to the Indian steel industry.”

## Worldsteel Announces Steel Challenge



The Regional Championship took place online for a 24-hour period on 20 January 2016. This year's steelChallenge attracted 1,099 participants representing 42 countries. The tenth edition was the most engaging challenge ever with over 65% of participants registering a successful run.

There were 34,073 attempts with the electric arc furnace steelmaking simulation with 724 people successfully completing at least one run of the simulation and a total of 7,824 successful runs completed.

The new Regional Champions in the 'Industry' and 'Student' categories will be invited with expenses paid to compete for the title of World Champion in London in April 2016. The award ceremony will be held in the presence of leaders of the global steel industry. All Regional Champions will be awarded certificates, cash prizes and an iPad in addition to their trip. The World Champions in both categories will also be awarded a World Champion certificate, an additional cash prize and the steel Challenge trophy.

## STEEL PUNCH - Shrinivas Prabhudesai



“Sir, MIP might help steel producers, but what about product manufacturers like us ?”