



NITI Aayog Discusses Odisha Steel Industry's Problems

Setting a target of about 300 million tonnes for India's steel production by 2025, the NITI Aayog discussed with the steel and mines industry bodies in Odisha the problems they face so they can be addressed and policy changes be made to achieve the goal.

"We took a firsthand appraisal of Odisha steel industry and discussed how to reach India producing about 300 mt in 2025. We discussed what changes we should make in plan and policies so that in a cost effective manner we are able to reach that goal," NITI Aayog member V.K. Saraswat said.

He said several issues including mining, coal, transport, capital cost and duties structure were discussed with the industries and state government officials.

"There are several issues which are responsible for present production rate. All of them have to be looked at in a cohesive manner to make sure that we are in a position to sail through when the entire world is going



through a slump as per the steel market," he said.

About the cheap steel products being imported to the country, Saraswat said the steel industries have to ensure that their produces are competitive in market.

He said the steel industries and mining bodies mentioned their problems including transportation and non-availability of raw materials.

All Odisha Steel Federation (AOSF) representative P.L. Kandoi said they raised issues pertaining to pricing and availability of minerals.

He said the miners are intentionally quoting such a high rates that the industry can't afford to buy the raw material and sought a level playing field where both industries and miners can be benefited.

Several industries representatives including Jindal Steel and Power Ltd. managing director Ravi Uppal attended the meeting.

Ministry to Propose Increasing Peak Customs Duty on Steel



Going ahead with industry's persisting demand for reining in the rising imports at predatory prices, the steel ministry will propose for hiking the peak customs duty on the alloy to 25% in the Budget for next fiscal from 15% now. If implemented, this would be two successive increases in the limit in as many years, though will remain within the upper ceiling of 40% allowed by WTO.

The finance ministry had raised the peak custom duty for steel to 15% from 10% earlier in the last Budget for the same purpose. But, far from restricting the burgeoning imports, it failed to make much impact. Galloping imports from China, Japan, South Korea and Russia among others is hurting domestic steel industry. The EBITDA of the domestic firms have declined by over 40% in a year.

Being sympathetic to the steel industry's current tough time, steel ministry had suggested a gamut of trade actions since the last Budget and the finance ministry has, in fact, obliged to a lot of them including raising the import duty twice in June and in August by 2.5% each, imposing safeguard duty on select products and even levying anti-dumping duty on certain grade of stainless steel imports between \$180 and \$316 per tonne.

Mamata Banerjee Pitches for National Iron Ore Policy



West Bengal Chief Minister Mamata Banerjee made out a case for a national iron ore policy on the lines of one for coal.

"If the country can have a national coal policy, then why should not there be a national iron ore policy in place?" she asked while inaugurating the ceremony.

The group had earlier planned to set up an integrated steel plant at the same site, but the project ran into problems due to iron ore linkage issues.

Welcoming the JSW Group's investment in the cement plant, Banerjee said the proposed steel plant could not come up at the

site as linkages to source iron ore could not materialise. "Had there been such a policy, the steel plant could have seen the light of day," she stressed.

JSW Group had signed an MoU with WBIDC in 2007 for setting up a 10-mt steel plant with an investment of Rs 35,000 crore, for which it had acquired nearly 4,500 acres at Salboni in West Midnapore district, an area rife with Left extremism.

The proposed cement grinding unit will have a capacity of 2.4 mt per annum and the commercial production is expected to start in 12 months.

The group's current cement capacity of 6 million tonne will be expanded to 16 mt, Economic Analyst of JSW SteelBSE -2.36 % Parth Jindal said.

JSW Group Chairman Sajjan Jindal said, "The plant will be set up on 134 acres, which is a small beginning, but a lot more could follow like downstream steel and paints, beside cement."

Back in 2008, former chief minister Buddhadeb Bhattacharya had a close shave when his convoy was ambushed by Maoists when he was on a return trip after laying the foundation stone of the proposed steel plant.