



## Safeguard Duty is A Temporary Solution - T. V. Narendran

**S**afeguard duty on steel is only a temporary solution to a temporary problem, Tata Steel Managing Director, T. V. Narendran, says. The long-term solution is to create more demand.

“Safeguard duty discussions are on, but we would like the government to step up investment in infrastructure, as construction is the biggest-driver for steel sales accounting for 60 per cent of the total demand”, Mr. Narendran said. While India was a great place to do business for the steel manufacturers with the availability of natural resources’ availability and a big market, there were challenges too.

“The Centre and the state has taken steps to ease business but cost is still high. This needs to be looked into,” he said while answering a query on the industry’s budget wish-list. “Industry can control costs inside the gate but costs outside the gate will have to be looked into. We can compete with anyone and Indian steel industry is most competitive. But the problem arose from 2014 when steel flowed in from international markets and



prices started dipping. It went to 2003 levels,” he said. He said that since the imposition of 20 per cent safeguard duty on hot rolled coils, prices had dipped from \$380 to \$260 negating much of the duty advantage.

Tata Steel has invested Rs 40,000 crore over the last five years in Jharkhand and Odisha and it expects to produce 10 million tons this fiscal year. “It is a capital intensive industry and the SAIL, JSW have all invested in the industry. Profitability of a unit has to be maintained,” he said.

Giving free market access to any country facing demand problems at its home soil may

de-motivate the domestic industry. “We recommend that anyone wanting to participate in the Make in India growth story should come and invest in India rather than just ship their products,” Mr. Narendran said.

On the demand and price outlook he said “The year 2015 was particularly bad as things slowed down in China and steel prices dropped. However prices I think, seem to have bottomed out. I am positive about demand. Hopefully prices will improve too.” The Council is an iron and steel-driven non-profit company mandated under the National Skill Development Corporation. It will facilitate education and training ecosystem in the country to create a pool of skilled manpower as per industry requirements. Mr. Narendran said that at a time when one million employable youth are added per month in India, such centres could help make them employable by providing industry-ready training. West Bengal Minister for technical education Ujjwal Biswas said that, “The government hopes to announce this month, a cogent skill development policy.”

## Professionals Canvass for Steel Development Plan

**P**rofessionals in the steel industry have called on the Federal Government to constitute a Steel Development Plan to reposition the steel sector for national economic development.

President of the Nigerian Metallurgical Society (NMS) Engr. Prof. Benjamin Adewuyi made the call at a special dialogue of solid minerals professionals with the Solid Minerals minister Dr. Kayode Fayemi in Abuja. The meeting according to Prof. Adewuyi was to bring to the notice of the minister, strategies developed by professionals in the steel sector which they consider critical to the revitalization of the metal sector. “The metal industry should be placed at the heart of our national economic development. The development of the steel sector will promote job creation, acquisition of technical skills, transfer of technology and provision of machine parts and tools,” he stated. According to Prof. Adewuyi, the steel development plan must include the establishment of cottage steel industries in all geopolitical zones of the country, provision of cluster industries with common facilities and infrastructures and a result oriented reform of the metallurgical industry operations in the country. While commending the present administration’s effort in seeing to the resuscitation of the Ajaokuta Steel Company, Engr. Adewuyi said the steel development plan must ensure the commencement of full production in the completed sections of the Ajaokuta Steel Project. “The Ajaokuta Steel Company Limited was conceptualized as far back as 1958, to encourage infrastructural development of other critical sectors like agriculture, housing, defense and communication. Most of our projects still depend on importation of steel products because Ajaokuta refused to take off.

### STEEL PUNCH

- Shrinivas Prabhudesai



“Sir, with such high volume of imports, how can we survive?”