

Indian Steel Imports Surge 23% in December



After a decline in November, India's steel imports again surged by 23 percent in December 2015 neutralising the measures taken by the government to check cheap inbound shipments of the product.

Steel imports rose by 23 percent to 0.94 million tonnes (MT) in December 2015 compared to November, official data showed. In November, steel imports were at 0.76 MT, down by 35 percent over the previous month. However, the December imports were down by 1.4 percent compared to that in same month of 2014. Imports of total finished steel stood at 8.389 MT in the April-December

period of 2015-16 fiscal, a growth of 29.2 percent compared to same period of last year.

"India was a net importer of total finished steel in the current fiscal so far," a steel ministry's panel said.

Since June 2015, steel sector has been provided a range of protection including hike in import and safeguard duties to check cheap imports. Analysts said exporting countries, particularly China, have been constantly adjusting the price of steel products in-line with the imposition of duties.

In June, India imposed anti-dumping duty of up to USD 316 per tonne on imports of

certain steel products from three countries, including China, to protect domestic producers from below-cost inbound shipments. Then in August, the government had hiked import duty on base metals, including iron and steel, by 2.5 percent, in a move aimed at helping domestic players battle out cheap Chinese imports after the currency devaluation by China. Next month, a provisional safeguard duty of 20 percent was imposed on import of hot-rolled flat products of non-alloy and other alloy steel, which was in vogue for 200 days.

Steel Ministry Suggests Coal Blocks for Direct Allocation to PSUs

Contending that it was imperative for the government to provide some sort of raw material security to steel PSUs, the steel ministry has written to its coal counterpart suggesting specifically the blocks that can be directly allocated to state-run firms such as SAIL, NMDC and RINL, keeping in mind their future need.

Barring SAIL, coal blocks have not been allocated so far to either RINL or NMDC despite the fact that Visakhapatnam-based RINL is in the last lap of raising its annual steel-making capacity to 7.5 million tonne per annum (mtpa) and iron ore miner NMDC's maiden steel venture with 3 mtpa capacity is scheduled for completion in December this year.

SAIL, which is raising its capacity to 21.4 mtpa by the end of the current fiscal, also meets most of its thermal coal requirement through the linkages with Coal India and imports most of its coking coal needs.

According to the steel ministry, taking



into account their next 30 years' need, SAIL would require 436.95 MT thermal coal and 732.38 MT coking coal, NMDC would require 125.55 MT thermal coal and 319 MT coking coal and RINL would be requiring 153 MT thermal coal and 104 MT coking coal.

The steel ministry suggested that the Utkal A thermal block, which has an extractable reserve of around 300 MT, could be given to SAIL or, as an alternative, the Utkal B block could also be allocated to the steel Maharatna.

Three thermal coal blocks, in order of preferences, have also been suggested for NMDC. While the Pindra Debipur block has been put up at the top of the order, the Patraru coal block has been listed in the second and Rabodih coal block in the third rank of

preference. Three blocks have also been suggested for RINL.

The steel ministry feels that the Rabodih coking coal block, with an extractable reserve of 120 MT, could be best suited to SAIL while the Kotre Basantpur and Lalgah blocks find mention as the second and choices. For NMDC, it has suggested two blocks, and for RINL, one block.

"I would be grateful if the ministry of coal could consider allocating suitable coking coal and thermal coal mines to the PSUs as indicated against them at an earlier date, under Section 5 of the Coal Mines Special Provisions Act, and oblige," steel and mines minister Narendra Singh Tomar wrote to his coal counterpart Piyush Goyal.