

Steel Industry Poised for Big Lead



J .K CHATTERJEE

What is the present status of Indian Ferro Alloy industry?

- Ferro alloy industry is saddled with the overcapacity issues and on top of it the lower demand from the steel industry. Capacity utilization is only 25-30%, mainly because of weak exports.

Ferro alloy plants is like a caravan type of industry, the different plants were commissioned in the backward districts of various states but over a time with the withdrawals of the incentive, the industry closed down leaving a huge debt in the financial market(s) and also created huge idle capacity in the industry. The recovery of the industry depends much on the picking up of steel demands globally as well as in the domestic sectors.

The industry also is suffering from global slowing down of the commodity prices affecting the Indian exports.

Rationalization of Power policy in the different states. Also, industry is largely depends on the export market and high power cost which is inclusive of cross subsidy of the government, cannot be absorbed to compete in the international market(s).

What has been the impact of slowdown in the user sector like Steel - Domestically as well as globally?

- Ferro alloys being the raw material required for refining steel is directly dependent on the steel market.

Domestic demands are nearly 1.50 million mt per annum as against total capacity of 5 million mt per annum of the Ferro alloys industry. Impact of the slowdown has come mainly due to weak international market(s).

When do you see the better days coming for the industry?

- Indian steel industry (demands) is poised

J.K Chatterjee is a metallurgist and an expert in the field of ferro alloys, coal and coke. He has wide experience of over 40 years in the steel & mining industry. He was associated with Tata Steel as a Senior Metallurgist in Charge of Blast Furnace, Sinter Plant and Coke-Oven Plant. Subsequently he moved to Commercial division and was Chief of Marketing in Ferro Alloys division of Tata Steel. He is now the Secretary General of The Indian Ferro Alloys Producers' Association (IFAPA), the nodal body of 82 Ferro Alloy Producers in India.

"Indian steel industry (demands) is poised for a big lead in the near future wherein the capacity is expected to increase from present 80 Mtpa to nearly 150 Mtpa (as per the 5 years plan). The ferro alloys demand is also expected to pick up with the increasing capacity of the steel plants in the next decade" says, **J. K. Chatterjee, Secretary General of The Indian Ferro Alloys Producers' Association** in interaction with **Steelworld**. Excerpts

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What is your take on Short term & Long term prospects of Indian Ferro Alloy industry?

- In short term the prospect of Power Intensive Ferro Alloy industry will be challenging and those units having their own captive power, mines, coal linkage of the government take on the challenge.

On the long term the government should come out with a policy for the entire country on power as well as distribution of natural resources, which is presently controlled by Public Sector units. A Mineral Policy on allocation of the natural resources to the whole industry as an entity should be considered similar to coal allocation.



The power intensive industry should be allowed to access power from the market and without any share of cross subsidy.

What would be your demands to the policy makers for the betterment of the industry?

- Rationalization of power policy for the power intensive industry in the country.

To make the power available at a moderate cost without loading the cross subsidy at least for the export quantity. Exemption of any

import duties for the raw material imports. Exemption of any domestic duties on raw material for the export of Ferro alloys. Export incentive to cross over the international slowdown of economy.

The recent decision of the Andhra Govt. to reduce the power tariff by Rs.1.50 KWH for a limited period of one year is a welcome step in this direction and should be followed by other States having large number of power intensive industries.



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