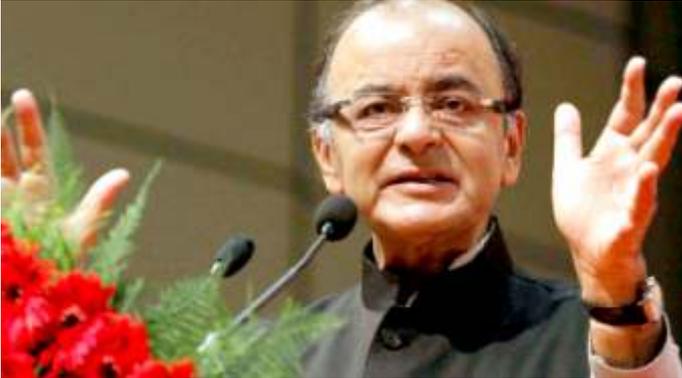


Steel sector will revive in three quarters : Jaitley



After a raft of measures including imposition of safeguard duty and minimum import price, Finance Minister Arun Jaitley on Monday said the Indian steel industry will revive in the next three quarters

Pointing to the adverse situation in the steel sector due to dumping of cheaper steel by China, Jaitley blamed the UPA government for not taking action at the right time.

"Our Government has not only notified MIP to help the domestic steel market but also introduced Safe guard duty and increased the custom duty rates to protect the industry. These steps have been taken in the last few months," Jaitley told lawmakers in Lok Sabha.

Companies have started receiving benefit of MIP, which will curtail import of Chinese steel lower than the floor price. Indian Steel companies have already begun receiving benefits of Government's efforts to protect the domestic steel sector and are sure to recover out of the situation soon, he said.

Pointing at the Economic Survey, Finance minister said "

Economic survey this year has dedicated a chapter 'Twin Balance sheet' which clearly highlights the fact that disbalance in the balance sheets of some sectors including the steel companies has direct/indirect impact on the balance sheets on the Banks".

In February, the government imposed minimum import price (MIP) ranging from \$341 to \$752 per tonne on 173 steel products ranging for offsetting the adverse impact of Chinese dumping of steel at \$300-350 tonne and distorting the market in India.

Global steel prices slumped after sharp slowdown in China, which has over the decades ramped up capacity to 1.25 billion tonne and continues to produce 800 million tonne, much in excess of its domestic demand. The Himalayan neighbour along with other steel producing countries continues to dump steel in India.

According to World Steel Association (WSA), India is the only country among major steel producing nations, such as China, Japan, South Korea and the US, which witnessed growth in production in 2015. India's steel production rose by 2.6 per cent to 89.6 million tonne in 2015 against 87.3 MT in 2014 even as global production dropped by 2.8 per cent to 1,622.8 million tonne in 2015.

Although India imposed a safeguard duty of 20 per cent on imported steel to protect the domestic industry, it was not enough to prevent the onslaught of dumping of cheaper steel products by some of the steel producing nations.

The price of steel in the international market has come down by around \$150/tonne and that has made Indian steel uncompetitive and crimped profit margins.

While global steel demand is waning, India is one of the few markets where the demand for steel is still rising. The industry expects the demand to rise by around 4 per cent as the government is ramping up infrastructure to spur economic growth.

Steel industry at the Forefront of Optimal Resource Efficiency

The World Steel Association has announced that it is taking part in Resource 2016, the event focused on the circular economy and resource efficiency, being held in London from 8 to 10 March. Worldsteel is showcasing how the steel industry is at the forefront of optimal resource efficiency and why steel is essential to our modern world.

To coincide with the event, worldsteel is also launching a new publication, 'Steel - the Permanent Material in the Circular Economy'. The publication highlights how steel enables a sustainable circular economy in which society reduces the burden on nature by ensuring resources remain in use for as long as possible. This is done by reducing the amount of raw materials consumed, reusing products, remanufacturing them and only then when they reach the end of their life, sending the steel to be recycled back into new



steel reducing the demand for the use of raw materials. Edwin Basson, Director General at worldsteel commented on the launch: "We believe that in the sustainable future, new economic models will maximise the value of raw materials by encouraging practices such as reducing, reusing, remanufacturing and recycling. These are all fundamental advantages of using steel and explain why steel is an integral part of the global circular

economy. "The steel industry is continuing to expand its offer of advanced high-strength steels which reduce the weight of applications, and encourage circular economy practices. This will ensure optimal resource efficiency and in return bring significant benefits to our society including durable products, local jobs, reduced emissions and the conservation of raw materials for future generations."