

JSW Steel remains committed to Bengal Steel Project

JSW Steel Ltd.'s proposed 10 MTPA green field steel plant made good progress in acquisition of land, site development and coalmines exploration activities in the State of West Bengal. During the course of hectic pre-implementation project activity, ban/restriction on Iron ore mining in the country followed by cancellation of coal blocks including the coal mines earmarked for the project, brought severe uncertainty to the linkages of critical inputs for steel making. At this backdrop, financing a capital-intensive green field project will be very challenging. Consequently, the company decided to put the project implementation on hold until raw material linkages for the project are reliably established.

In the meantime, considering the hardship the erstwhile private landowners from whom the Company acquired the land, the Company voluntarily offered to give back the equivalent land out of the total project land to original land owners free of cost as a gesture of goodwill through State Government, West



Bengal as per applicable laws.

JSW Steel will continue to work with the State Government of West Bengal to find

alternatives to establish raw material linkages so as to take up implementation of the Steel project in due course.

Steel companies Capable to counter surge in imports: SAIL

Allaying apprehensions of rising steel imports, state-run SAIL recently said capacity expansion of almost all steel-makers indicate that the domestic industry is resilient and competitive enough to balance it out with proportionate exports.

"China, Japan and Korea are exporting, but their exports are subject to some duties and all that. They have to bear the cost of transportation. We are much more competitive to counter the surge in imports. Today also our exports and imports are by and large equal. Imports are there and exports are there," SAIL Chairman C S Verma told PTI in an interview.

Taking advantage of free trade agreements, Japan and Korea have been pushing exports to India. India does not have any such trade pact with China which has also stepped up exports to India taking some local duty benefits and even circumventing duties.

These have led to a 40 per cent surge in imports during the April-October period of



the current fiscal compared to the same period last fiscal.

There is also certain compulsion for these countries to export more as domestic demand has reached a saturation level resulting in total imports to India during the period to 4.741 million tonnes compared to 3.198 million tonnes exports from the country in the same period.

"Even as the global steel growth remains subdued and going to remain subdued that is not going to impact the Indian steel industry. India is a happening place. There is growth in Indian steel production and consumption

both. There are no fears," Verma said.

When asked whether demand reaching the saturation level in markets of major steel makers is a reason for import worries for the domestic industry, he posed a counter question: "Can you tell me why all domestic firms, be it Tata Steel, SAIL, RINL and JSW Steel, all are galloping?"

India's steel consumption grew by just 0.5 per cent during the April-October period to 43.112 million tonnes on poor off-take from major consuming sectors such as construction and auto even as imports rose sharply.

Verma, however, exuded optimism saying that steel consumption would certainly grow by 8-9 per cent next year with the economy projected to grow by 6-7 per cent.

"I am optimistic because already a number of projects have been announced and these would now be getting into the mode of commissioning. This will lead into sustained demand growth for steel. Not a single domestic steel industry has curtailed capacity expansion plans. Do I need to say more?"