



Long Products Demand Growth in Middle East will be 8%

- NAUSHAD AKHTER ANSARI, CEO, Jindal Shadeed Iron and Steel

J SPL took over Shadeed Iron & Steel LLC with effect from 02 July 2010. It is now known as Jindal Shadeed Iron & Steel LLC. The plant is located in Sohar Industrial Port Area. JSIS has commissioned its DRI Furnace on 05 December 2010, within a short period 5 months of acquisition. The DRI Furnace is supplied by Midrex Technologies, USA. The capacity of the furnace is 1.5 MTPA for the production of HBI. The Furnace has unique HOT Linked Technology to charge Hot DRI directly in to Steel Making Furnace-EAF. Within a short Span, the plant has reached its maximum capacity (1.5 MTPA).

Naushad Akhter Ansari has taken over charge of Jindal Shadeed Iron and Steel (JSIS), Oman as Chief Executive Officer with effect from May 2012. He started his career in Tata Steel, Jamshedpur in 1974 and worked there in various capacities for about 34 years. During this period he worked largely for modernising the steel plant and

developed expertise in managing large projects. He joined the JSPL group as Executive Director at Patratu unit in September 2008. During his tenure he was instrumental in successfully commissioning the two rolling mills of combined capacity of 1.6 mtpa. Prior to joining JSIS, he was Executive Director in charge of JSPL, Raigarh as well as whole time Director of JSPL, India, the flagship company of JSPL group producing over 3.0 MTPA of steel through integrated rout. During his brief tenure at Raigarh, the plant achieved the rated capacity & went beyond it. Ansari has 38 years of rich industry

experience. He led a large workforce and had been responsible for several innovative practices. Under his dynamic leadership, various projects like SMS, Rolling Mills, Sinter plant, Blast Furnace, Raw Material Handling facilities and Power Plant etc. have been completed successfully. "With the recent global slowdown and economic and political challenges facing the major economics across the world, we seem to be entering a more complex and difficult to forecast phase of the economic cycle" says **Naushad Akhter Ansari – CEO, Jindal Shadeed Iron and Steel** in an exclusive interview with **Steelworld**. Excerpts.

What is the present status of steel industry in the Oman and GCC region ?

- Oman steel industry is still in infant stage. JSIS is the largest steel maker with 2 MTPA capacity to produce Square and Round Billets/Blooms. Crude Steel Capacity in Oman is around 2.69 MTPA. The small players are Sohar Steel, Modern steel, Muscat Steel etc.

Steel demand in Oman is set to increase substantially due to the following reasons:

- The key area of construction investment is in the free trade zones as the government seeks to build.
- New industrial areas. Sohar is already well-built, but the Al-Duqm area is just beginning.

- The Omani government's five-year spending plan has allocated \$78 bn for infrastructure investments, which includes 1,000 km of railways, new airports and possibly a new port at Sohar.

- Water and power projects are also being developed.

- Current projects which are underway have a value of \$34 bn.

In GCC, for the last 5 years Crude steel output is below 10 MTPA. The capacity is forecast to be doubled by 2015. Per capita steel consumption in Oman grows at a rate of 6.8% from the present 396 Kgs (2012) while per capita steel consumption in GCC is forecast to be grown by 2% from present 523 Kgs (2012).

In the short-term out to 2015/16, the demand growth for long products will be around 8% per annum. This will be driven by investment in infrastructure from governments in Saudi, UAE and Qatar and supplemented by

in Europe that is suffering from structural over capacity; due to a continuous decline in steel demand and declining steel prices.

Acknowledging the vital role that the emerging nations are bound to play in the years to come in driving the global economy and boosting steel demand and production. The steel has been the critical catalyst of growth and become the engine of global growth. Steel will act as a remedy of the economy.

According to you what are the growth areas? How do you see the future prospects of steel Industry ?

It is unlikely that steel demand will significantly improve in 2014, largely because of the continuing economic crisis in developed countries and the structural shift in the Chinese economy.

Moderate recovery is only expected in 2014-15, although steel demand is likely to improve faster in emerging markets. We expect

- Assess, process and add value to iron ore to leverage availability of grades, conserve resources for future growth and expand the economic benefit

- Adapt to new technologies for moving up the value chain.

- Form special-purpose vehicles for carefully identified zones where mega steel development can be initiated with confidence.

Tell us your status of your expansion plans ?

- We have commissioned our 2 MTPA Steel Melt Shop on 24th of April 2014 which consists of 200 Ton EAF, 200 T Ladle Refining Furnace and matching 8 strand Combi caster to produce square and round Billets/ Blooms. Vacuum Degassing Furnace to cater to the special steel demand of the market would be commissioned by June 2014. We have started construction activities of World's biggest Rolling Mill Project of 1.4 MTPA to produce Rebars and



smaller gains in other markets. Beyond 2015, however, this will slow. While investment will remain strong, some of the key drivers such as Qatar World Cup will fall away while residential housing investment will slow as will infrastructure investments. The growth rates could decline to 3-4% per annum.

How do you react to global slowdown and its impact on Industry in India as well as around the world ?

- With the recent global slowdown and economic and political challenges facing the major economies across the world, we seem to be entering a more complex and difficult to forecast phase of the economic cycle. The slowing of Chinese economy during 2012 and the not so impressive Indian growth story, which seems to be losing its steam, is bound to have a strong impact on the steel and steel making raw materials industries. Coupled with sovereign debt crisis in the euro-zone, there is the potential for further closures of steel mills

by 2015 demand growth to be reaching 3.5%p.a.

The approaches currently being used to reduce cash operating costs include:

- Reducing production volumes from loss making plants to stabilize steel prices and address oversupply in the market

- Restructuring labor
- Canceling or reducing supply contracts

Strategies for acceleration of steel growth:

- Innovate and customize products that are relevant to rural demand. For example 70% of India's population still has a per capita steel consumption of only 13kg.

- Optimize product mix to address the shifting composition of steel demand in high-growth or emerging sectors

- Improve the logistics infrastructure to handle both inbound and outbound traffic of steel industry with growing volumes, and in turn provide impetus to steel demand

Wire rods. The Mill is expected to be commissioned by September 2015.

How can be there bilateral, lateral trade relationship between you and India ?

- Round billets requirement of India, to some extent, can be met from JSIS. Semi-Finished Steel in the form of square Billets will also be supplied to Indian Market. We are dependent on technical and skilled manpower requirement for running the plant smoothly and efficiently. We get substantial support from India in these aspects. We meet our raw material requirement of fluxes like Ferro Alloys etc from India.

Our parent company Jindal Steel & Power Limited provides us R & D and skill development training facilities for improvement of our operations to have cost effectiveness in the present day competitive environment.