

# Bright Future for Steel Industry

- C. S. Verma, SAIL Chairman



**N**otwithstanding poor growth in steel demand this year, state-owned SAIL believes the future of the industry is bright as India's per capita consumption is low and the government is planning to increase infrastructure spending.

India's steel demand grew by just 0.5% to 53.78 million tonnes during the April-December period of the current fiscal, impacted by economic slowdown as reported by PTI.

Though India's per capita consumption has increased from 29 kg in 2000 to 59 Kg in 2012-13, in rural areas, home to around 70 per cent of the population, per capita

consumption is approximately one-fifth of the national average at 12 Kg.

This is miles apart from the world average (216.9 kg) and it is where the opportunity lurks, SAIL Chairman CS Verma said.

"The future of the Indian steel industry is indeed very bright and there are several enablers which indicate this and includes low per capita consumption and government's plan to hike infrastructure spending," he said.

Stating that government plans to increase infrastructure spending from the current 5% of GDP to 10% by 2017, he said India is committed to investing \$ one trillion in

infrastructure during XIIth Five Year plan.

"Taking 15% as steel component in the total investment, then it can generate additional demand worth \$ 75 billion of steel in the next few years or \$ 15 billion worth of additional demand a year or in terms of quantity, an additional demand of 18.75 million tonnes per annum," he said.

Besides, the National Manufacturing Policy envisages the share of manufacturing in GDP to increase from 14% in 2012-13 to 25% by 2025 with manifold increase in steel intensity translating into finished-steel consumption of 230-255 MTPA by 2025, Verma said, adding all these augur well for the steel industry.

Indian steel industry has also grown at a handsome pace from less than 22 million tonnes (MT) in 2000 to about 81MT in 2012-13 at a CAGR of 11%. While it achieved the first 27 MT of production capacity in 50 years between 1951-52 to 1999-2000, the next 27 MT came production in next 10 years - from 2000-01 to 2009-10. The country proposes to achieve 300 MTPA capacity by 2025.



**P. MADHUSUDAN  
CMD, RINL**

## RINL Achieves Growth of 11% and 20%, in Liquid Steel, Saleable Steel Production

- Saleable Steel Production Grew by 20%
- Turn Over of Rs. 1382 Crores in February 2014
- Power Generation Up By 5%

**C**ontinuing the good performance in Production as well as in Sales, RINL recorded a growth of 11% and 20%, in Liquid Steel, Saleable Steel production respectively compared to February'13.

The month of February also witnessed a growth of 5% in Power Generation thus reducing dependency on state grid. A turnover of Rs 1382 crores was achieved in February with a sequential growth of 7% over previous month.

The cumulative of Rs 11,766 crores achieved in current FY, representing a growth of 2% over CPLY. The exports recorded a

growth of 72% at Rs 725 crores compared to CPLY of Rs 421 crores.

The cumulative sales volume of Saleable Steel, Special Steel and Wire Rods registered a growth of 12%, 9% and 39% respectively compared to CPLY. P. Madhusudan, CMD, RINL attributed the good show to the dedicated and committed employees steered by able leadership and asked to continue the efforts during last month of this FY with more zeal and to make every effort in surpassing the set targets. He called for greater commitment and coordinated efforts from employees for sustainable growth in the wake of low profit margins.