

## Jindal Saw, JSW Steel Enter Rs 10,000 Cr Deal



Jindal Saw shareholders have approved the proposal for entering into contract worth up to Rs 10,000 crore with group firm JSW Steel, from which it purchases raw material. The proposal for related party transaction was cleared by its shareholders through a special resolution last month.

Jindal Saw is a part of the USD 18 billion O P Jindal Group and makes large diameter submerged as well as spiral pipes. JSW Steel, also a part of the group, is country's leading integrated steel producer with a capacity of 14.3 MTPA.

The approval is for Jindal Saw to "enter into a contract(s) / arrangement(s) / transaction(s) with JSW Steel, a related party...up to a maximum amount of Rs 10,000 crore from the financial year 2014-15 and onwards," Jindal Saw said in a regulatory filing. The transactions will be at all times "on arm's length basis and in the ordinary course of the company's business", the filing said.

The Board of Directors of the company has been authorised to settle any doubts in this regard, it added. Earlier the extraordinary general meeting of the members of Jindal Saw was held on March 23.

## Egypt to Impose 8% Import Tariff on Rebar

Egypt will impose an 8 percent import tariff on rebar - reinforced steel bars - for three years, the industry and trade ministry said recently, extending temporary tariffs introduced last year to protect the domestic industry.

A ministry statement said Egypt would also impose a 20 percent tariff on white sugar for 200 days, following a filing to the World Trade Organization lately in which it sought to safeguard domestic producers from a damaging surge in imports.

The tariffs come at a critical time for Egypt's steel industry, which is recovering from four years of political and economic turmoil, and for a global market struggling with low prices and over-capacity due to lacklustre demand.

Egyptian steel companies have been further pressured by energy costs and availability in a country where energy shortages have hit output and profitability. The country produces six to seven million tonnes of reinforced steel a year.

Egypt's major steelmakers had petitioned the government to impose anti-dumping measures on rebar and wire rod imports from China, Ukraine and Turkey after energy subsidies were cut last summer.

The ministry statement said the steel tariffs would be at least 408 Egyptian pounds



(\$53.5) per tonne in the first year, dropping annually to 175 pounds in the third year.

A ministry official told that the tariffs on steel imports would begin on May 2 and those on sugar would start once a notice is published in the official gazette.

Temporary "safeguard tariffs" are allowed under WTO rules if there is a sudden, unexpected and damaging surge of imports, and if the country that imposes the tariffs first seeks the views of interested parties.

The ministry statement said a minimum

tariff of 700 Egyptian pounds per tonne would be imposed on white sugar while the government investigates an influx of imports in 2014 and the first quarter of 2015.

"This fierce attack of white sugar imports came as a result of a drop in global prices which has not happened in more than 20 years," the statement said, adding that the surge in imports had already cost Egyptian industry about 1 billion pounds. (\$1 = 7.6250 Egyptian pounds)