



Steel Industry Facing Challenge from China, Govt Should Sort Out Internal Problems : Tata Steel

The government should sort out internal challenges at a time when the domestic steel industry is facing challenges from China, Tata Steel Managing Director, T V Narendran said. "We can do much better had the government addressed internal challenges such as availability of raw material and import duty as demand of steel would continue to grow".

Narendran said it was not that Indian producers are not competitive with world players as "our five/six steel producers feature in the top steel producers of the world even now". Elaborating on the challenges faced from China, Narendran said China was producing 825 million tonnes of steel against their demand of 725 million tonnes.

They are producing 100 million tonnes more than the demand, which was more than the current total capacity of our country, which was between 80 to 85 million tonnes, Narendran said.



China was exporting two to three million tonnes, which was spoiling our market, he said, adding that the total export of steel to India was 10 million tonnes, which was equivalent to the capacity of Tata Steel's Jamshedpur plant. "We could set up a steel plant if we could have such a volume of export of steel", he said.

Not necessarily Tata Steel alone, this would help steel producers such as Jindals,

Bhushans, Sail, among others, to set up steel plant and increase the capacity of the country, which was targeting to enhance it to 300 million tonnes, he added.

To achieve the target, he said, "We will have to invest more than USD 200 billion to produce additional 200 million tonnes of steel." The central government has taken various initiatives in this regard and more steps are needed to be taken to attract investment, he suggested, while focusing on the need to implement projects in sectors such as infrastructure and automobile to increase steel consumption and create job opportunities. The steel industry is a very difficult sector due to high capital cost, transport cost, high rate of interest but it is this industry that competes with world players, Narendran said.

"We are competing with Japan and Korea, who have a zero import duty due to FTA against our more than 10 per cent", he added.

Portal for Sale of Steel Soon at Competitive Prices : Nitin Gadkari

The government will soon launch a portal for sale of steel at competitive prices to boost construction activity, after 95 lakh tonnes of cement was booked online, Road Transport and Highways Minister Nitin Gadkari said.

The development assumes significance as domestic producers face an onslaught of cheaper steel imports from China, Japan and Korea. "We will soon launch a webportal through which steel will be available for government sector at competitive prices by steelmakers as we did in cement.

"Three lakh tonnes of cement have been sold while 95 lakh tonnes have been booked by various government departments through the portal where 37 cement makers have got 117 factories registered," Gadkari said.

The portal will ensure that various steel makers register themselves there and any state or central government department can book the steel through it, he said on the sidelines of an event.

Cement prices had shot up after announcement of construction of concrete roads but soon after the launch of the webportal for sale of cement, the prices came down heavily and the commodity was made



available for Rs 120 to Rs 140 a bag against Rs 300 or more in market, the Minister said.

"The basic idea behind this is to boost construction activities in the country which in turn will accelerate economic growth. Also, this will make the system corruption free, transparent and time bound," The Minister added.

E-governance is the need of the hour and "I am zero tolerant for corruption in my departments and would ensure administrative reforms," he said.

The announcement comes at a time when domestic steelmakers are seeking steps from

the government to counter cheap and large imports from China, the world's largest producer.

Indian Steel Association has also recently written to the Steel Ministry to intervene to check cheap imports.

Earlier this month, the government raised basic customs duty on base metals such as iron, steel, copper, nickel and aluminium by 2.5 per cent. Also, during the launch of a construction portal by private players earlier, Gadkari urged them to employ local youths by developing their skill. He said the government is also mulling a scheme to provide stipends to local youths who will be engaged for skill development.

On highways building, the Minister said that recently work order was awarded for Rs one lakh crore worth of projects that include Rs 10,000 crore projects in Bihar. He said projects worth Rs 3.80 lakh crore were stuck at the time he took over the charge of the Ministry out of which projects worth Rs 2.50 lakh crore have been started.

Projects worth about Rs 60,000 crore had to be terminated while the decision on about Rs 60,000 crore worth of projects will be taken soon.