Traders Urge Govt to Withdraw Steel Quality Control Order

The small and medium steel manufacturers have urged the government to withdraw the proposed steel and steel products Quality Control Order. Under the proposed Steel and Steel Products (Quality Control) Order, 2015, government is set to bring several steel products under a mandatory Bureau of Indian Standards (BIS) registration. “We have urged the government not to implement the proposed steel and steel products quality control order as it will jeopardise the quality of supplies, cost of production and make thousands of steel manufacturers sick,” Federation of Associations of Maharashtra president Mohan Gurnani said in a release issued. “The Order is nothing but an effort to create barrier to stop import of Hot Rolled (HR) Coil steel essentially required to bridge the gap between industry’s demand and supply by domestic steel producers.

As per the proposed steel and steel products (Quality Control) Order, several steel products would require mandatory Bureau of Indian Standards (BIS) registration, which currently takes about 10-12 months of processing,” Gurnani said. “The fact that this would highly affect the imports of hot rolled steel and the merchants would be forced to pay 20 percent more to the local suppliers, which in the longer run would affect the customers, he added.

The Quality Control order states, the objective was to control quality of steel in India, but in effect, it will monopolies the business and benefits local Steel mills who will increase the price and the user industry will be hit hard. Ultimately, it is expected that the steel price will go up substantially, Gurnani added. “We believe that the quality control order in its present form along with amendments and additions proposed is not in the interest of the steel user industry, Bombay Iron Merchants’ Association (BIMA) vice president Dilip Parekh said in a statement.

Wire Rod Import Prices Down by $5 Per Tonne

Prices for chrome-added wire rod imported into India from China have fallen by $5 to $335-340 per tonne cfr for August shipments. Smaller tonnages were booked at the revised levels, but prices could fall further in the coming days, an importer said. "There is no point booking large shipments when prices keep falling every week. It's better to book small tonnages at each price point," the importer said.

Offer prices for small tonnages were stable in line with steady local demand, a market participant said. Meanwhile, boron-added wire rod was being offered at $355-360 per tonne cfr for August shipments."Earlier boron-added material was priced $30 higher per tonne compared with chrome-added wire rod. The difference has now come down to $20 per tonne," the market participant said.

A second market participant said that

Indian importers were currently booking more chrome-added material, since acceptance has increased among industry users. Domestic chrome-added wire rod prices, however, have fallen by almost Rs1,000 ($16) to Rs29,000-29,500 ($457-465) per tonne inclusive of tax, compared with prices at the end of June at Rs30,000-30,500 ($473-481) per tonne inclusive of tax.

Coal India Sixth Largest Mining Company in the World

Country's top dry-fuel miner Coal India (CIL) has become the sixth-largest mining company in the world in terms of market capital. Earlier, the company was at the eighth spot among top 40 global mining firms, according to the report. Another state-run company, NMDC, the country's top iron ore miner which also figures in the list, has improved its position by coming to the 21st slot from 24th earlier.

The report "Mine 2015", which analyses the financial performance of the top 40 mining companies by market capitalisation, says though there have been improvements in most financial statement metrics across the top 40 companies, market values continued to decline.

"The top 40 miners lost USD 156 billion, or about 16 per cent of their combined market value, in 2014," the report said, adding that the good news is that it is only half of last year's slide.

The market capitalisation for the top 40 was USD 791 billion at the end of 2014, which is where it sat 10 years ago, it said.

"That's a drop of 16 per cent from USD 947 billion at the end of 2013. It's the second consecutive year of decline. Incredibly, the market capitalisation of the top 40 is only about half of its value four years ago," it

added. The decline in market value in 2014 was driven largely by iron ore miners, in particular the diversified companies with large exposure.

“It was a better year financially for the top 40, despite a continued dip in almost all commodity prices, as various cost initiatives, fewer high-dollar impairments, and lower input costs helped to improve the bottomline."Commodity prices remained under pressure, as iron ore, coal, and copper took another tumble in 2014," it said. Iron ore was the hardest hit in 2014 with prices falling by half due to oversupply and a negative short-term demand outlook. About coal, it said coal miners in the BRICS countries saw their value increase 19 per cent over the period, recovering under half of the value they lost in the prior year.