JSPL Invests in Oman Plant

JSPL Naveen Jindal Group has commissioned a 2 million tonne greenfield plant (mt) of steel in Sohar, Oman with an investment of $ 800 million. The all-new unit of Shaheed Jindal Iron & Steel, a wholly owned subsidiary of JSPL, is one of the largest steel plants in the Gulf region. With this, JSPL has been prepared to meet a substantial part of the deficit in the region of North Africa and the Gulf, where steel demand is estimated at 12 million tons per year. JSPL had acquired Shaheed Iron & Steel hot briquetted iron gas-based 1.5 mt (HBI) unit in 2010 for $ 500 million. With the commissioning of the new facility, Jindal Shaheed, leans to emerge as one of the largest steel plants in the Middle East and the Gulf. The steel foundry, using latest technology state of Danielli of Italy, is the first and largest such units in Oman and was commissioned in 23 months from the start of work on the site.

Commenting on the new facility, Naveen Jindal, president, JSPL said: "The launch of the Jindal Shadeed - steel mill represents a continuation of our commitment to building an integrated steel manufacturing facility in the Sultanate of Oman.

The plant step not only meet growing demand for steel in Oman, but also cater to the needs of the entire Gulf region and the Middle East."Earlier, Jindal Shadeed plant had established a DRI of 1.8 mt, which is operating at full capacity during the last two years. The facility has been designed by world-renowned Kobe Steel (Japan) and Midrex (USA), leaders in the field of direct iron technology.

Rising Chinese Steel Exports will Increase Global Trade Friction

In April 2015 China exported almost 8.6Mt of steel and with export prices continuing to decline, a further increase in tonnage is expected.

According to statistics from the National Bureau of Statistics, the April figure was 11% up on March 2015 and 13.3% higher than in April 2014. China imported 1.202Mt of steel in April, a drop of 0.94% when compared with March figures and 6.6% down on April 2014. From January to April this year, China imported 4.454Mt, down 7.9% year-on-year. The average export price of Chinese steel in April was US$616/tonne, down US$2 when compared with March 2015 and hitting an eight-year low.

The import price in April stood at US$1,144/tonne, down US$37 from March and reaching its lowest point since November 2009.The average steel import price for China was US$528/tonne higher than its export price – a narrower margin than in previous months, it is claimed, but still relatively high. According to a report from China Metals, foreign trade of steel, steel billet and ingot can be converted into a net crude steel export of 7.81Mt in April this year, up 18.8% when compared to April 2014.

The net export of crude steel between January and April 2015 is estimated to be

31.74Mt – up 55.8% when compared to the same period last year. Following China's abolition of tax rebates for four categories of boron steel products at the beginning of the year, exports of this type of steel has witnessed month-by-month declines.

In April China exported 374kt of these four categories of boron steel, down almost 40% on the March figure and accounting for just 4.4% of China's total steel exports in the month. Between January and April 2015 China's exports of the aforementioned four boron steels totalled 5.096Mt accounting for 14.8% of overall steel exports during the first four months of the year. Exports of bar, rod, medium plate and hot-rolled strip, however, rose 10.2% month-on-month to 3.4Mt in April. While there might not be boron in Chinese steel exports, there is certainly more chromium as exports of steels containing other metals (but not boron) grew 22% from March to 2.884Mt.

According to China Metals, "it is expected that China's steel export price would sink further in the near future." As of 1 June 2015, the export price (FOB) of Chinese chromium-rebar was quoted at US$340/tonne while hot-rolled coil has been quoted at US$355/tonne – a new low for 2015.Chinese steel exports and their corresponding trade frictions will continue to grow over the coming months.