

Indian Growth Story is Still Intact



- **VIKRAM AMIN**

- **VIKRAM AMIN**, Executive Director
Strategy and Business Development, Essar Steel India Ltd

Essar Steel is a global integrated steel producer with an annual capacity of 14 million tonnes with a strong presence in intensive steel consuming markets of Asia and North America. It has operations in four countries

- A10 MTPA integrated facilities in India
- A4 MTPA steel plant in Canada
- A7 MTPA Taconite plant under execution in USA
- A0.4 MTPA downstream complex in Indonesia

Essar Steel India is an integrated steel producer with

an annual production capacity of 10 million tonnes. Essar Steel's manufacturing facility comprises ore beneficiation, pellet making, iron making, steel making, and downstream facilities including cold rolling mill, galvanising, pre-coated facility, steel processing facility, extra wide plate mill and a pipe mill. The steel plant located at Hazira has modern infrastructure like a power plant and a port that can handle 30 million tonne cargo annually.

With a focus on value added products, it produces over 300 grades of steel conforming to quality standards of international certification agencies like API, ABS, NACE, Lloyd's Register to name a few. Essar Steel uses information technology extensively for its operations thereby ensuring consistent quality of its products.

Essar Steel has set up a 1.5 MTPA plate mill and a 0.6 MTPA pipe mill at Hazira to add further value to its product portfolio. With one of India's largest steel processing and distribution network with a capacity of 4 MTPA located at several industrial hubs, Essar Steel manufactures customised products catering to a variety of industry segments.

Essar Steel implements rigorous testing and inspection processes to make sure customers get a product that conforms to the highest standards of accuracy, consistency and quality. It is conferred with ISO: 9001:2000, ISO 9002, ISO 14001, ISO 27001, OHSAS 18001:1999 etc.

Sustainability has been given due importance in design and operations and the company has become a zero waste company. It has received many accolades and recognitions from reputed institutions like Centre for Science and Environment, Water Digest, World Steel Association, Golden peacock, Green Tech foundation, CII, CII-ITC Sustainable Development Center, Carbon Disclosure Project to name a few.

Vikram Amin is the Executive Director-Strategy and Business Development, at Essar Steel India Limited. He is responsible for Marketing, Sales, Business Development and Strategy formulation for the steel business. Under his leadership, Essar has emerged as one of the largest and finest steel producers in India. Vikram joined Essar in 1987 and has held several leadership positions within Essar's steel businesses. He has a Masters in Business Administration from Syracuse University, USA.

"Indian steel is competitive in terms of cost, the cheaper imports at lower than marginal cost are hurting the industry" says **Vikram Amin, Executive Director-Strategy and Business Development, Essar Steel India Ltd.** in an exclusive interview with **Steelworld**.



How is the present situation for Iron & Steel industry in India ?

- Indian steel industry today is marked by, rising imports and higher input costs. The demand and production in India are evenly matched but cheaper imports are hurting the Indian steel industry. There is a surge of 71% in steel imports into India. The import duty on certain key inputs like coking coal, alloys etc. render Indian steel uncompetitive in international market. Thus, Indian steel industry is affected on domestic front due to imports and on export front rendered un-competitiveness. We expect the steel demand to pick from the second half of this year the signs of which are visible in terms of higher demand from auto & construction sector.

How big is the import threat to Indian industry ?

- This is the biggest threat that Indian steel industry is confronted with. While Indian steel is competitive in terms of cost, the cheaper imports at lower than marginal cost are hurting the industry. There is no level playing field between Indian steel maker and steel makers of

exporting countries. This is visible in the financial performance of the many steel companies in the last quarter. Steel industry has already represented to the Government of India for corrective measures. In line with the Government's vision of 300 million tonnes of steel production by 2025, Indian steel industry is creating fresh capacity and many such capacities are becoming operational in the next few years. These large capital intensive projects which requires support to sustain operations.

What is your Short term & Long term outlook for Indian steel industry ?

- The Indian growth story is still intact. As per the projections of the World Bank, Indian GDP growth during the current fiscal is in the region of 7.5%. This can translate into steel demand growth of at least 8.5%. The numerous approvals for stalled projects and the ambitious initiative of Government of India –“Make in India” augurs well for the industry. With more than 50% of Indian population under the age 30, the future demand for

Indian products can only rise thus driving steel demand.

Tell us something about Essar present facilities & future expansion plan ?

- Essar Steel is an integrated steel player with 10 MTPA steel plant. In order to provide raw material for the steel plant, Essar Steel has set up two pellet plants with 20 MTPA capacity (of which 6 MTPA is under implementation) and Rolling capacity of 7.1 MTPA Hot Rolled, 2.1 MTPA Cold Rolled, 1.0 MTPA Galvanising, 0.4 MTPA colour coated, 1.5 MTPA Plate mill and 0.6 MTPA Pipe mill. The Company has processing and distribution centres located near industrial and auto hubs with total capacity of 4 MTPA in India. These centres support a pan-India network of retail outlets to cater to the SME segment.