

Indian Stainless Steel Industry is Maturing Rapidly

NC. Mathur is

President of Indian Stainless Steel Development Association (ISSDA). He is also

the Chairman of Steel Furnace Association of India (SFAI). A Graduate with B. Tech (Hons.) from India's leading University - Birla Institute of Technology and Science (BITS), Pilani He has worked in India with leading Industrial Houses for over 49 years (17 years with the Birla Group and for 32 years with Jindals) and has been associated with Stainless Steel Industry for last 40 years.

He has been invited to speak

in global Stainless Steel, Nickel and Ferro Alloys Conferences worldwide since 1994. Presented papers in over 30 International events organized by Metal Bulletin, CRU, SMR, Stainless Steel Associations in China, Russia, Japan, S. Korea UK, EU, USA, Brazil, Australia, Thailand, Malaysia, Singapore, and South Africa.



N. C. MATHUR

He has been associated for 10 years with the "Market Development Committee" as well as "Economics & Statistics Committee" of ISSF (International Stainless Steel Forum), a global Stainless Steel Industry Association based in Brussels, Europe.

"The per capita consumption of stainless steel in India is still less than 2 kg which are well below world average of 6% and it shows a tremendous potential for growth.

The Indian stainless steel industry is a rapidly maturing sector that is facing encouraging times as the government has introduced some initiatives that are likely to stimulate the domestic market", says **N. C. Mathur, President of Indian Stainless Steel Development Association** in a exclusive interview with **Steelworld**.
Excerpts

What is the present situation of stainless steel in Indian & Global industry?

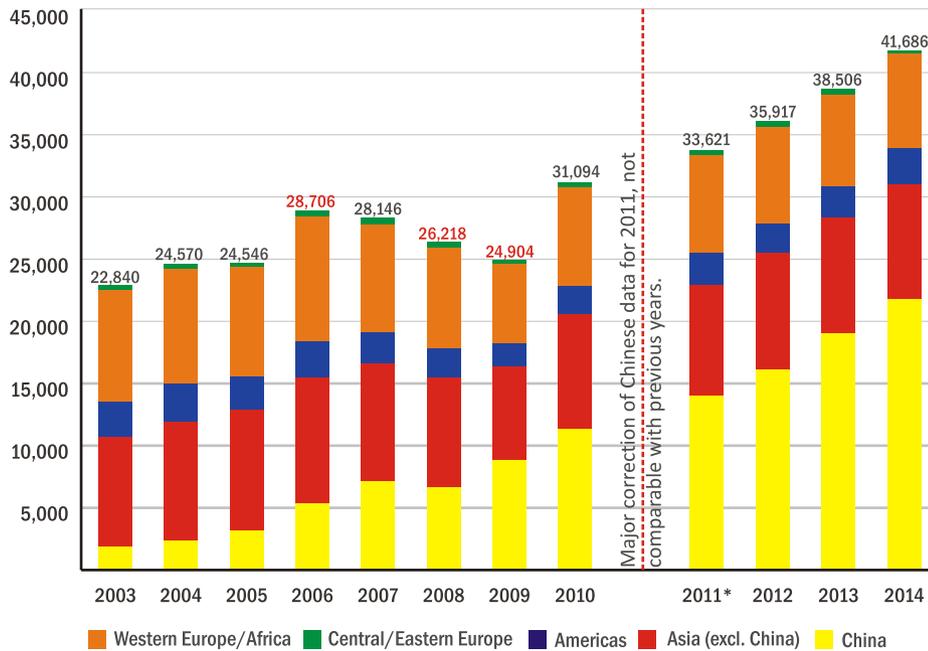
- World crude stainless steel production in 2014 was over 41.5 million tons. The world production has grown at a compound annual growth rate (CAGR) of 5 percent per annum over the last 10 years. Asia has strongly emerged as both the world's largest stainless steel producer and user. China alone accounts for more than 50 percent share of the total world production of stainless steel. India has been a part of this impressive growth with its

production of nearly three million tons in 2014 making it the 3rd largest producer and 2nd largest user of stainless steel in the world. The average growth in India recorded a CAGR of over 8-9 percent over the last 10 years, double the world average growth during the period. Over last two years, although there has been substantial increase in consumption, indigenous production has still not seen much growth since the country has been facing challenges from cheap imports from neighboring countries.

What are the activities of different

trade bodies connected with Stainless Steel industry such as ISSDA, SSDA, Asian Stainless steel, World Steel Association?

- The main objective of Indian Stainless Steel Development Association (ISSDA) is to create awareness on the use of stainless steel and help in diversifying the usage of stainless steel in different sectors in the country. ISSDA has access to vast technical resources which enable us to guide users of stainless steel in the selection of proper grade of stainless steel for various service environments, as well as



matters related to fabrication. This service is provided free of charge. ISSDA organizes workshops for specific end-use applications of stainless steel targeted at designers, material specifiers, engineers, architects, maintenance personnel; workshops for improving the quality of welding & fabrication; international conferences for increasing the awareness of applications among the stainless steel industry. The technical strength of ISSDA is derived from its close association with the Nickel Institute, the International Stainless Steel Forum and close collaboration with more than 20 national stainless steel

Development associations (SSDA's) around the world. The International Stainless Steel Forum (ISSF) is a non-profit research organization, which serves as the world forum on various aspects of the international stainless steel industry. Every year during the annual meet of ISSF all SSDA's from around the world meet and discuss about their success stories in developing new applications and innovative ideas on educating people about stainless steel. This meet helps all SSDA's to focus their activities in more planned manner while learning from each others good work.

How do you see the future of Indian stainless steel industry specifically in India ?

- In the last two decades, stainless steel has undergone a tremendous change in perception and production volumes in India. ISSDA has been successful in creating the awareness and changed the perception on stainless steel being

seen as a material good only for kitchenware, it is now seen as a wonderful engineering material that lasts for decades and gives you value for money.

The per capita consumption of stainless steel in India is still less than 2 kg which are well below world average of 6% and it shows a tremendous potential for growth. The Indian stainless steel industry is a rapidly maturing sector that is facing encouraging times as the government has introduced some initiatives that are likely to stimulate the domestic market.

In the short duration of 16 months, India has been able to improve upon its GDP figures. The per capita consumption of stainless steel has a strong co-relation with GDP growth. Using India's new GDP series, the IMF expects Indian economic growth to pick up to 7.5% this fiscal and accelerate further to 7.5 to 8% next year - making India the fastest growing large economy in the world. The new initiative of the Indian Government to build 100 smart cities,

focusing on improving sanitation & waste management facilities is likely to give a strong push to the stainless steel industry which is struggling with low capacity utilization.

What are your expectations from Govt. of India in general and Ministry of Steel & Mines in particular ?

- While the country's future growth prospects appears bright, certain key issues are hindering the realization of its true potential. Issues include the non-availability of nickel in the country, its volatility in price, lack of indigenous melting scrap, increasing competition and shrinking margins in India, cheap imports from China etc. Also the current capacity utilization of both flat and long product producers is quite low at present, primarily due to large domestic capacity creation leading to a surplus situation. India has had operational free trade agreements within the ASEAN region and Korea since 2010 and with Japan since 2011. Now India is a partner country for the Regional Comprehensive Economic Partnership (RCEP = ASEAN 10 countries + China, Korea, Japan, Australia, New Zealand & India). The lowering of duties on finished goods coming from these regions has led to a huge surge in imports and a massive trade deficit. The position of trade imbalance with neighboring countries in stainless steel flat products is increasing and putting tremendous pressure on the domestic stainless steel industry.

We are hopeful that in forthcoming budget government will increase the import duty on stainless steel mill product from existing 7.5% to 15% to encourage a level playing field for our domestic producers. Even if we compare the present scenario with respect to increase in import duty for steel mill products, which has seen duty increased from 7.5% to 10% and then from 10% to 12.5% in recent past, it is quite imperative that stainless steel flat product manufacturer who are suffering not less than





SSDA's Representatives from Various Countries Meeting at the 19th Annual International Stainless Steel Forum's (ISSF'S) Conference in Hong Kong, May, 2015

others would request government to raise import duty from 7.5 % to 12.5% immediately.

Tell us about the efforts of ISSDA in developing new applications areas for Stainless Steel.

- As I have explained earlier that main objective of ISSDA is to create awareness on the use of stainless steel and help in diversifying the usage of stainless steel in different sectors.

In terms of usage of a quality and sustainable material , stainless steel is unmatched compared to other materials and can play an important role in sustainable development of Indian infrastructure. It plays a critical role in controlling corrosion and bringing down the cost to the nations. India faces critical challenge in the field of corrosion prevention and can gain by adopting appropriate strategies and specifying right materials to be used in the initial stages itself. Even 1% savings in corrosion can lead to savings of several crores.

ISSDA through its education and promotional programmes has been able to help and create awareness among designers, specification writers on the benefits of stainless



steel in various applications using the life cycle cost benefits of specifying material.

In the last few years India has seen a complete transformation in the end user application of stainless steel. In the beginning it was primarily used for pots and pans in kitchens with some exception for engineering use. Today we see use of stainless not only in

kitchen but in India Railways & Metro Rail Coaches, Wagons, tankers, various products for building & construction & process Industry but also in sectors such as nuclear, Power, Oil & gas where high quality & grades that are indigenously produced , supplied & are being used.

There are many areas where new innovations have created a unique demand in the country for stainless steel usage. For example the innovative bio-digester toilets researched & developed by Defense Research and Development Establishment (DRDE) for Indian Railways, where stainless steel was the chosen material of construction. Other innovations linked with the new initiatives of the Government to improve sanitation & waste management facilities and building smart cities are likely to create markets for stainless steels. Today we can see some innovative use of stainless steels for designing portable, stand-alone public toilet facilities.

We hope that stainless steel being a sustainable material will find its true place in all initiatives taken by government of India for overall good growth.