



Iron Ore Import Might Fall to 5 Mt



With surplus availability of iron ore in the domestic market, imports are likely to shrink to five million tonnes (mt) in the current financial year, compared with 15 mt in 2014-15.

According to Manish Kharbanda, executive director and group head (mines & minerals) at Jindal Steel & Power, the reopening of key ore mines in the top producing states of Odisha, Karnataka and Goa has resulted in increased supply, causing prices to fall. "This, in turn, has made steel makers to go for domestic raw materials, resulting in fall in import of iron ore in this fiscal (FY16)."

Iron ore output in the country is estimated to be 153 mt by the end of FY16, up from 123 mt in the last financial year.

Analysts say subdued demand in steel and the falling rupee will also play a role in pulling down imports.

"Due to domestic supply issues, India saw import of iron ore in the past two years, but given the subdued market of steel and ore and fall in domestic iron ore prices, the trend is not expected to sustain. Any notable import of ore is not expected. Further, the falling rupee will make import of ore costlier," said Pukhraj Sethiya, associate director at PricewaterhouseCoopers.

After the enactment of the amended Mines and Minerals Act, Odisha issued orders to extend the validity of 50-odd mine leases. Of this, 27 iron ore mines have recommenced production, raising the hope of robust output. Odisha's iron ore production is pegged at 65 mt in the current financial year, up from 47 mt a year ago. Odisha, the biggest ore producer, is tipped to contribute 42.5 per cent of the country's overall iron ore output in FY16.

Ore output in Chhattisgarh would move

up marginally from 31 mt to 33 mt this year. For Karnataka and Jharkhand, too, the growth is projected to be modest. Karnataka's ore output is projected at 24 mt (from 21 mt in FY15), while Jharkhand is expected to

improve its tally from 17 mt to 19 mt.

Goa, which produces low-grade ore, would add five mt from zero level. Apart from enhanced availability in the domestic market, currency fluctuations will have a bearing on imports of iron ore. JSW Steel (8.4 mt), Tata Steel (3.06 mt) and Essar Steel (0.23 mt) were the major importers in FY15.

"With the rupee remaining predominantly weak and currently hovering around 65 against the US dollar (USD), iron ore imports continue to be expensive. Unless the rupee improves significantly by the end of this quarter in the range of 60-63 vis-a-vis USD, there will always be pressure on the quantum of imports of iron ore," said Kharbanda of Jindal Steel & Power.

Tata Steel Invests Rs. 22,000 Cr in Odisha Plant



Tata Steel is set to commission the first phase of its Kalinganagar plant, where it has invested Rs. 22,000 crore so far, in the next fiscal. The Kalinganagar project in Odisha is being established in two modules of 3 million tonnes each and would roll out high-end flat products.

"We have already started commissioning some of the facilities. So over the next few months one by one all the facilities will get commissioned. Our guidance has been next to this financial year so we stick by the guidance," Tata Steel Managing Director T V Narendran said.

Narendran said so far the company has spent "about Rs. 22,000 crore" on its greenfield project, which is aligned to 'Make in India' initiative of the government.

The first phase of the facility to be set up at a total investment of Rs. 25,000 crore saw commencement of coke production from its coke ovens. The project is the largest single location greenfield steel project in India having a rated capacity of 3 million tonne per annum in the first phase.

Various units of the plant will start commercial production sequentially. In the first phase, the steel plant will have two Coke Oven battery, each comprising 88 ovens and having a gross coke production capacity of 1.5 MTPA.

According to Tata Steel, during the first phase, the blast furnace will have a capacity of 3.3 MTPA of hot metal while the Sinter plant will have a capacity of 4.91 MTPA. The Steel Melting Shop and the Hot Strip Mill will have capacity of 4.1 MTPA and 3.5 MTPA, respectively.

After signing of the MoU for the plant with Odisha government, 3,470 acres of land was allotted to the steel company for setting up the integrated project at Jajpur district beside the National Highway 200, about 100 km from all-weather ports at Paradip and Dhamra.

Narendran had earlier said, "While the company faced challenges in its operations, especially due to the mining crisis, it remained committed to building the greenfield steel plant in Kalinganagar."