

Global Market Remains Subdued

- T. K. Sahu



T. K. Sahu Executive Director, International Trade Division, SAIL, New Delhi has worked as a Senior management executive with 32 years experience in sales and marketing with equally strong background both in domestic and international trade. He has a Direct international trade, shipping and Supply Chain management experience with domestic and worldwide customers.

He joined as an Executive Trainee in the Central Marketing Organisation SAIL in May 1979. Underwent six months in-plant training and three months specialized Certificate Course in marketing at Indian Institute of Management, Calcutta.

“World steel output for the first eight months of 2015 has declined by 2.3% year-on-year to 1.078 billion mt. Globally markets are down due to overproduction and weak demand. The steel and raw material prices have fallen globally during recent past”, says **T. K. Sahu Executive Director, International Trade Division, SAIL** in an exclusive interview with **Steelworld** Excerpts.



How is the present situation in Global Iron & Steel sector in general & Indian sector in particular ?

- World steel output for the first eight months of 2015 has declined by 2.3% year-on-year to 1.078 billion mt. globally markets are down due to overproduction and weak demand. The steel and raw material prices have fallen globally during recent past. Trade investigation case have increased manifold globally with the objective of respective countries protecting their own domestic steel market.

In India during H1 of 2015, imports of HR flats to India more than doubled year-on-year to around 2 million t. With the recently imposed 20% safeguard import duty on HR flats with over 600 mm width classified to 7208 tariff subheadings some positive sentiment in domestic market has been generated. Demand overall remains subdued.

How is the performance of Indian Steel Companies with respect to exports ?

- Due to lower prices in the international market Indian Steel companies are not exporting much. It is high time that China cuts down on production rather than increasing exports to various markets at low prices.

With EU & US economies somewhat depressed, where are the emerging markets for Indian steel exports ?

- Global market is down. The emerging

markets are neighbouring markets, Middle East, Latin America, and Africa.

What is the effect of 'China Factor' in the present situation especially after devaluation of Chinese currency ?

- China exported 9.73 million metric tons of steel products in August 25% higher than the same period last year. Their January to August 15 exports totalled 71.81 million mt, up by 26% from January-August last year. China produced 66.9 million mt in August, down by 3.5% from the same month last year. Its eight-month output of 541 million mt was 2.1% below last year.

China has been the major contributor to global reduction in steel prices. Rather than undercutting other steel producers in world by selling cheap it would have been better that they had sold at prices where they are able to recover at least their costs. Devaluation of their currency has enabled them to further reduce their international prices.

Tell us about export initiatives at SAIL & its future strategy.

- With modernization in place at SAIL with increased product mix of structurals TMT, Cold reduced and Galvanized products, we will be focusing more on exports. We are trying to book orders directly with projects, shipyards and end users. We will be opening more global offices at strategic locations in near future.