

## Production begins at Tata Steel's Kalinganagar Project



**T**ata Steel's Greenfield project at Kalinganagar in the state of Odisha achieved a major milestone on 4th September, 2015 with start of coke production from its Coke Ovens. The heating of Coke Ovens was started on May 19, 2015.

Speaking about the initiative Mr Rajiv Kumar, Vice President, Operation, KPO, Tata Steel said "It's a momentous occasion for

Tata Steel as we strive ahead on the journey to commission the Kalinganagar Project. The production of coke from the coke oven plant is among the major achievements from Kalinganagar Project, Odisha and we are extremely happy to reach the milestone. We are confident of meeting our deadlines for the commissioning of the first phase of 3 MnTPA and rolling out of crude and saleable steel from the plant."

Coking coal when heated in Coke Ovens in absence of oxygen releases the volatile components and gets converted to coke which is then used in blast furnace along with iron ore for producing Hot Metal. This Hot Metal is further processed during steel-making.

Kalinganagar Project is the largest single location Greenfield steel project in India having a rated capacity of 3 MTPA in first phase.

Various units of 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. With this event, Coke Oven gas also will be available, which will be used as fuel for other production units.

## Rio Tinto Sees Solid Demand for Iron Ore and Steel

**R**io Tinto PLC told investors it expects world-wide demand for iron ore to keep growing despite China's economic slowdown, as the company projected a rising appetite for steel in the years to come.

Rio Tinto forecast 2.5% average annual growth in global steel demand for the next 15 years. Emerging-markets are expected to take on an expanded role, with the miner predicting non-Chinese steel demand will rise 65% by 2030.

While Chinese steel output has waned recently, Rio Tinto said it remained confident in the country's steel market. It stuck with an earlier projection that Chinese crude steel production will reach about 1 billion metric tons by the end of next decade. China produces roughly half the world's steel, and its annual production is currently at about 800 million tons.

A global glut of steel and concerns over China's economic prospects, have hurt prices for iron ore, the biggest ingredient in steelmaking. Recently, BHP Billiton lowered its long-run forecast for peak China steel demand to between 935 million and 985 million tons, from 1 billion to 1.1 billion tons. "We have taken a realistic view," Chief Executive Andrew Mackenzie said at the time.



BHP is the world's third-largest exporter of iron ore, behind Rio Tinto and Brazil's Vale SA, the top supplier.

Rio Tinto argues that although there is a steel glut now, China will need more of the material in the future, as old homes are demolished and replaced with buildings that are taller and more steel intensive. The miner which outlined its forecasts at a Sydney investor presentation said it also projects higher exports of steel products and machinery from China to underpin that country's output of the alloy.

Rio Tinto has been aggressively expanding its iron-ore production in Australia's Pilbara mining region, drawing ire from smaller rivals and politicians who say the miner and some of its peers are hurting the industry by flooding the market.

The price of iron ore fell to a decade low in July of about \$44 a ton, compared with a

peak above \$190 in 2011, and some analysts think it will tumble to a fresh nadir as Australian shipments of the commodity continue to rise. Goldman Sachs forecast prices to fall a further 30% over the coming 18 months.

Rio Tinto said that "Despite ongoing volatility in global commodity markets, it expects growing global demand for high-quality iron ore." The miner forecast world iron-ore demand to rise to 3 billion tons in 2030, an average 2% annual rise between now and then. Rio should produce roughly 335 million tons of ore from its Pilbara operations next year, and roughly 350 million tons in 2017, it said.

The miner also said it would ramp up its cost-cutting efforts and expects to reduce maintenance costs by about \$200 million a year over the next three years.