

Steel Price Expected to Stabilize in Due Course of Time



- V. R. SHARMA

V. R. Sharma, Group CEO of AbulKhair Steel Group of Bangladesh is having more than 32 years of experience in steel industry. The group has presence in steel, cement, ceramics and power industry.

Prior to this assignment, Sharma worked with Jindal Steel and Power Ltd. as a CEO (Steel & Power), Bhushan Steel Group as Joint M.D and Ispat Industries Ltd. as Executive Director.

He is an Engineer and M.B.A. from U.K. and has held following senior positions in non-profit business organizations such as:

1. Vice chairman of AIST-USA (India Chapter)
2. Chairman CII (Metals & Metallurgy) New Delhi
3. Chairman SIMA (Sponge Iron Manufactures Association) India
4. Chairman India Lead Zinc Development Centre and Indian Galvanizing Association New Delhi (Currently holding this position)

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The steel mills have stopped bleeding. The bigger challenge is to sustain on long-term basis. The Indian government will have to increase steel demand by giving impetus to infrastructure growth. The industrial output is also to be enhanced says **V. R. Sharma, Group CEO of**

AbulKhair Steel Group of Bangladesh in an exclusive interview with **Steelworld**. Excerpts.

What in your opinion is the present situation in global and Asian steel sector?

- The global steel scenario is little different than the Asian countries.

The steel mills in Asia, specially India, Japan, Korea and China has increased prices in the last one month. The increase ranges from \$80 to \$120 per ton depending upon product to product. It looks that the prices will stabilize in due course of time.

What should be done to overcome the present crisis in Indian steel industry?

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Apart from the above, the raw material securitization is to be done and Iron Ore and

coal should be provided at the lowest cost to the industry.

The coal extraction/mining should be atleast 1.2 billion tonnes per year to make power plants enable to produce power at INR 2.00 per kwh.

If India does not use the thermal coal in the next 30 years, then coal will become a buried property. World powers will keep pressure on India not to use coal to produce power and ultimately the natural resources bestowed by nature will not be utilised.

Hence the coal generation at low cost can only reduce the power tariffs.

Today the power to industry in North, West, South India is sold at INR 8 to RS. 10 per kwh by State Governments (cost to customer). This is to be brought down to Rs. 3.00 per kwh.

As soon as the power at this price is available the manufacturing sector will grow exponentially. The key to success is to provide coal and iron ore to power plants and steel mills.

India must stop the import of coal because

more than 400 billion tonnes of coal is already buried underground in the country. The coal gasification, CBM technologies to be encouraged.

What is the profile, activities and future plans of AbulKhair Group?

- Our company AbulKhair Steel in Bangladesh is the largest producer of steel in country. This is the first EAF route plant having 2x90 tons of EAFs and the third EAF is likely to be installed shortly.

We produce 900,000 tons per year Rebars. The company wants to put up a Blast Furnace and Hot Strip Mill in Chittagong.

The Company is also exploring possibilities to install gas based HBI/ DRI Plant in middle east. The feasibility is being worked out.

This will be a feed plant to our EAFs in Bangladesh.

Apart from HBI/DRI Plant the company is also looking possibilities for Clinker plant in middle East as a feed plant to our cement plant in Dhaka.