



Sponge iron price up by 10 pc

The price of sponge iron jumped 10 percent in the past month, on an upsurge in demand from steel mills following the government's protectionist measure to protect the interest of domestic producers.

Trading currently at Rs 12,500 a tonne, the steel making raw material has seen a sharp uptick in restocking from steel producers, amid expectation of a seasonal demand rise from infrastructure and housing activities.

The sudden jump in sponge iron prices indicates a proportionate increase in prices of steel products and, thereby, a revival in the fortunes of steel mills. These have had a setback in the past two years, following a sharp increase in import from China, Japan and South Korea. The government has moved to curb this.



"The prices of competing raw material i.e. melting scrap, has also jumped. The trend is likely to continue, with strong revival in sponge iron prices by the second half of the current financial year," said Amitabh Mudgal, vice-president, Monnet Ispat.

Melting scrap has become costlier by 10% in the past month, to trade currently at \$225 a tonne from \$180-190. Turkey, not a major buyer in the world market until now, has started buying in large quantities. The traditional supplier of melting scrap, Europe, has diverted shipments to Turkey than export to India.

"The trend is changing rapidly in favour of Indian sponge iron producers, with prices of melting scrap moving up. In fact, a sharp cut in low grade iron ore prices has made sponge iron making viable for independent producers. Despite that, sponge iron units are operating at 40-45% of installed capacity," said an independent producer in Chattisgarh.

Government-owned iron ore miner NMDC announced a 25% cut in prices of low grade ore, a raw material for sponge iron making, a help for producers.

Govt. launches anti-dumping probe on CR Coil imports



After launching investigation for levying anti-dumping duty on hot-rolled coil, the Directorate General of Anti-Dumping & Allied Duties has launched a similar process for a slew of other steel imports including cold-rolled coils.

The investigation will reveal whether imports from China, Japan, Korea and Ukraine have hurt Indian steel companies. Prima-facie, DGAD has found sufficient evidence of dumping of steel products by these countries which has caused significant injury to the domestic steel industry.

The products that are covered under the investigation include cold rolled, cold reduced flat steel products of alloy and non-alloy steel besides other alloy steel of all

widths and thickness, including cold rolled full hard. The import trend between July and December last year would be considered during the investigation.

The steel products under investigation find applications in industries such as

automotive, tractors, bicycles, appliances, furniture, electrical panels, packaging, drums, barrels, general engineering, substrate for coating, colour coating galvanising, metal-coating, and tin plate.

The investigation is based on an application filed by Steel Authority of India, JSW Steel, Essar Steel India and JSW Steel Coated Products.

Cold Rolled steel imports from the four countries have increased 80 per cent to 1.7 million between July-December, 2015, against 0.94 million tonnes imported in the financial year 2013-14. Incidentally, the average import prices have declined 45 per cent to \$400 a tonne in December from \$727 in FY'14.

H Shivramkrishnan, Chief Commercial

Officer, Essar Steel, said the investigation launched is a very significant step taken by the department on the petition filed by domestic industry.

Some of the importers have also imported HR coil under the garb of CR rolled full hard steel to circumvent punitive duty imposed by the Centre, he said.

Last September, the Centre imposed a provisional safeguard import duty on some steel products for 200 days and extended it till March 2018 to protect domestic manufacturers from cheap imports. The Centre imposed a Minimum Import Price as an additional measure of protection in February for six months, while retaining the safeguard duty.

This section is a compilation from various company press releases, business dailies & trade publications.