



Steel output hits a new high : WSA



Steel output growth hit a new high in 2016, with crude steel output growing by 3.3% in October over a year ago, according to World Steel Association (WSA) data. This is higher than the 2.3% increase seen in September.

A steady increase in steel output is visible since May when a decline in production of the alloy was first reversed.

The recovery in steel output growth explains the buoyancy in iron ore price, although it has come off its highs of late. China remains an important reason for higher output, with steel output up by 4% in October.

But it also has company. India's output is up by 12.3%; other regions seeing growth recover are the European Union, North America and the Commonwealth of Independent States.

Of course, the industry is entering a seasonally weak period as winter and holidays will see output slow in the months ahead. South America was the only region to report a decline in October.

Govt worried at prospect of domestic steel mills on CEPA with Korea & Japan



Parliamentary panel and the government are worried about the prospects of domestic steel firms getting hit as the customs duties on imports from Japan and Korea are being eliminated as part of India's commitment towards Comprehensive Economic Partnership Agreements (CEPA) even as anti-dumping duties are in place.

The steel industry, which has got a series of protective measures from the government in the last one year, has been persuading the government to give a "relook" at the CEPAs.

While many found the fear unfounded, a parliamentary panel recently recommended that "the matter regarding review of CEPA with Japan and Korea should be taken at the highest level to check rising imports from

these countries." Acting swiftly, the steel ministry has taken up the matter with its commerce counterpart, asking it to review the agreements under which duty on steel imports from Japan has already been eliminated and will soon be made nil for imports from Korea. The Indo-Korea CEPA was signed in January 2010 while the CEPA with Japan came into force from February, 2011. Imports from other countries attract 12.5% duty.

A steel ministry source said imports of steel into India have been steadily increasing after India entered into CEPAs with Japan and Korea. In 2009-10, share of imports of finished steel into India from Japan and Korea was 23%. This has gone up to 47% in 2013-14 and 43% in 2015-16.

Govt. to revisit National Steel Policy



The government has proposed to revisit the existing National Steel Policy, the work on which is at "conceptual stage", Parliament was informed amid the sector reeling under global glut and surge in import prices.

"The Government proposes to revisit the existing National Steel Policy. It is at conceptual stage," Minister of State for Steel Vishnu Deo Sai said in a written reply to Lok Sabha.

Last month, the government's think tank Niti Aayog had floated a working paper where it had mooted a new and dynamic steel policy to bring the over USD 100 billion industry back on track as well as meet the target of 300 million tonnes (MT) capacity by 2025.

The country's premier policy maker feels that mere changes in the National Steel Policy, 2012, will not help the sector that in the last few years has been flooded with cheap imports from China, Korea and Japan impacting its sales and profits, which has negatively influenced its capacity to repay debts.

Niti Aayog feels that there is a need to examine the entire value chain associated with the industry -- from raw materials to production of finished products -- to discover the bottlenecks in the sector.

The Working Paper -- prepared by Niti Aayog Member V K Saraswat and Niti Aayog professional Ripunjaya Bansal -- said that an ecosystem has to be created that will ensure profitability of the associated industry be it mining, pet coke, pellet or sponge iron.