



Special Editorial



Dear Readers,

Steel is a product of large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. It is also one of the most important products of the modern world and is of strategic importance to any industrial nation.

Indian steel industry has seen a robust growth since its deregulation in 1991-92. In 2015, India became the third largest producer of steel after China and Japan. Today, the Indian steel industry contributes 2% to the country's GDP and employs about 5 lakh people

directly and about 20 lakh people indirectly. However, the per capita steel consumption in the country at 61 kg is much below the global average of 208 kg and that of China at 489 kg. This indicates the significant growth potential of the Indian steel industry.

The period during April 2014 to December 2015 was challenging for the domestic as well as the global steel industry. Globally, demand slowdown and overcapacity resulted in historically low international steel prices. The steel producers in China, Japan and Republic of Korea, wherein the major overcapacity exist, adopted predatory pricing strategy and

were dumping their products in emerging markets such as India at prices which were often lower than their cost of production. Such imports had adversely impacted the domestic steel prices and the viability of domestic steel producers. Aftermath of the increased imports was evident from the poor cash flows and debt serviceability of the major steel producers in the country.

However, over the last two years, the Government of India has taken number of strategic interventions to tackle the global glut in steel industry leading to effective decision making and a series of milestones & achievements in the sector including improved capacity utilizations, increased cash flows & profit margins for steelmakers, reduced imports and significantly high exports. In addition to above mentioned measures.

Government is continuously focusing on expansion of MSME sector, improved raw material security, enhanced R&D activities, reduction in import dependency and cost of production and thus aims to develop a "technologically advanced and globally competitive steel industry that promotes economic growth" eyeing self-sufficiency in production, developing globally economical steel manufacturing capabilities by facilitating investments and



cost efficient productions with adequate availability of raw materials.

India is now all poised to become the second largest producer of steel in the world after China. The key strategies adopted by the government include continuous pursued trade remedial measures with an aim to improve price realizations and decrease imports and improve capacity utilizations of existing facilities. Today, the Indian steel sector is in a position where continued positive actions in terms of investments and Government interventions can take it to a position of global leadership yielding accelerated GDP, industrialization and massive employment opportunities. With such an immense potential to be tapped and with flagship initiatives like Make in India which forms the key impetus for enhanced steel demand across sectors from Infrastructure, Construction, Power & Energy, Defense and Aerospace, the Indian steel sector is soon expected to achieve new heights.

Huge untapped potential in the steel sector and an absence of a robust and updated policy necessitated the formulation of new National Steel Policy (NSP) 2017. The sector is now expected to focus on indigenous production of value added capacities by large players for auto grade steel, CRGO, CRNO, etc. by 2019-20. The government is fully aware of the

need for extensive research and development in order to achieve its vision. In order to promote R&D in the sector, Ministry of Steel has taken full cognizance of the technological scenario in Indian Steel Industry and has initiated a fresh move for preparation of a comprehensive blue print for promotion of R&D in Iron & steel Sector. To bring in all the stake-holders under one platform and promote steel research on themes of critical and vital national importance, an institutional platform called "Steel Research and Technology Mission of India" has been established with an objective to spearhead R&D of national importance in iron & steel, creating state-of-art facilities to conduct cutting-edge research, develop expertise & skill development, manage human resources and bolster a tripartite synergy amongst industry, national R&D laboratories and academic institutes.

It is also important to note that India, with its emphasis on manufacturing under various government initiatives is expected to create significant demand for steel in the country, with a large part of the growth in demand occurring in the Public Sector and Government sphere. It is thus imperative that most, if not all of this planned spend is done using indigenous steel and hence the government has brought a policy on preference to domestically manufactured iron & steel products (DMI&SP) in Government procurement.

With the roll out of the National Steel Policy 2017 and the DMI&SP policy, it is envisaged that the industry can be steered with appropriate policy support in creating an environment for promoting domestic steel and thereby ensuring a scenario where production meets the anticipated pace of growth in consumption. Thus, the Indian steel sector is all set to achieve its vision thereby setting a global benchmark in terms of quality, standards and technology.

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