

## Centre lures FIs with modern technology in steel sector

The government has opened the doors for overseas investors with modern and up to date technology to set up steel plants in India as India has set a target of achieving steel output of 300 million tonnes by 2030. "If somebody comes with a new technology with any joint venture or some company from abroad wants to put their plant they are also welcome," Steel Minister Chaudhary Birender Singh told.

"The ministry is quite open to this. Any transfer of technology will be welcomed. May be they can have joint ventures, they can have MoUs," the minister said. The government aims to more than triple the

crude steel output in the country from current 97 MT to 300 MT.

"In such a situation they would be coming with a new technology. In this sector even 100 per cent FDI is allowed. So they have all their funds utilised for that. That means this would also serve to have sufficient FDI. Our target by 2030 is 300 MT. We are going to create this capacity," the minister said.

In 2016-17, India's crude steel production was at 97.385 MT, registering a growth of 8.5 per cent over the year-ago period.

SAIL and Arcelor Mittal have already inked a pact to set up a Rs 5,000-crore

auto-grade steel plant. The joint venture is in final stage and is progressing fast. It will produce high end steel based on latest technology.

In March, the steel minister had said that SAIL and ArcelorMittal will resolve differences over setting up of this plant. The two companies had inked a pact in May 2015 to explore the possibility of setting up an automotive steel manufacturing unit under JV arrangement.

The proposed JV will construct world-class facilities that will offer technologically advanced steel products for India's rapidly growing automotive sector.

## Steel pipe makers appeal to DGAD against cheap Chinese imports



utilisation in the six-million tonne pipe making industry is at 35 per cent and pipe exports have dried up with major markets like the US, Mexico and Iran raising trade barriers. Incidentally, duty on steel plates used to make the pipes is 12.5 percent; duty on pipes is at 10 per cent.

While the New Steel Policy 2017 encourages use of domestically produced steel, it seems to have a number of gaps that need to be addressed in terms of implementation. Moreover, it does not apply to Engineering Procurement and Construction (EPC) contracts. Exporters can work around the clause that stipulates 15% domestic value addition and still dump steel products, said Vinod Mehta, General Secretary, Indian Pipe Manufacturers Association.

Massive investment in infrastructure and laying of pipelines have been planned by state owned oil companies, led mainly by GAIL. Though

the total requirement of pipes for these projects is less than combined capacity, it is important that proactive measures are taken to salvage the industry, IPMA said. For instance, oil & gas PSUs could restrict procurement of pipes from domestic sources only. More since, the pipe making industry has a loan exposure level of Rs 15,000 crore, Mehta said.

Some of the major upcoming projects include BPCL (EIL) – Kochi Kerala & Mundra Project (61,000 tonne), APGDC – Kakinada project - 18,000 tonne, IOCL - Haldia Barauni pipeline – 45,000 tonne. Others projects include three by GSPL – Dahej Bhadbhut Pipe line (15,000 tonne), Mehsana Bhatinda pipeline (2.5 lakh tonne) and Mallavarm Bhopal Bhilwara project (1 lakh tonne). The latter projects, tenders for which were floated and EPC bids submitted, are on hold by GSPL. To compound the problem of low domestic demand for pipe makers, exports too have dwindled. These companies were earlier exporting 50% of their products to US, Mexico, Iran Saudi Arabia and Bolivia. However rising protectionism in these countries have impacted exports from India.

Steel pipe makers like Jindal SAW, Man Industries and Welspun Corp have appealed to the Director General of Anti-Dumping and Allied Duties (DGAD) against unfair competition from Chinese suppliers, since the latter have emerged among the lowest bidders of recent orders for oil & gas pipelines. With trade measures against dumping of steel, the Chinese are dumping value added products like pipes in the Indian market; an industry body has alleged seeking imposition of antidumping duty on submerged arc welded (SAW) pipes. This comes at a time when capacity