



NMDC \$2.7 bln integrated steel plant likely to be completed by December

Facing year-long delay, the Rs 18,000 crore (USD2.69 bln) integrated steel plant of state-owned iron ore miner NMDC, coming up at Nagarnar in Chhattisgarh, is likely to be completed by December.

"As per the revised date, it will be completed by December 2017," an official said. "It has been slightly delayed by a year or so."

The 3 mln ton annual capacity plant is likely to reach 50 percent production level in the first year itself and "at the end of second year it would be 80 percent plus", the official added.

It will be completed at a time when the steel sector will hopefully pick up on the back of infrastructure growth.

"There is requirement of steel in the country. Steel production grew by 10



Govt. mulls mandatory local steel use for infra projects



India may soon mandate the use of local steel in government infrastructure projects worth billions of dollars, sources said, pitching it as a WTO-compliant protectionist measure aimed at further cutting cheap imports, mainly from China.

The government expects the move to boost sales of local companies such as JSW Steel and Tata Steel, and eventually attract global steelmakers such as ArcelorMittal and POSCO to invest in the country, five steel ministry sources said, according to a news report.

India, the world's third largest steel consumer, has budgeted a record USD59 billion for 2017/18 for steel-intensive infrastructure projects such as ports, roads, railways and power.

"The preference in procurement will enhance demand and thus production. Definitely it is 'Make in Steel' and thus 'Make in India'," Steel Minister Chaudhary Birender Singh told Reuters.

"It is preference with no compromise on quality and competitive pricing. To use domestic produce is an acceptable norm."

Analysts said a similar proposal by

U.S. President Donald Trump requiring the use of domestic steel to build two energy pipeline projects could violate international trade laws, but Indian officials say their plan will fall within WTO rules.

A government document on the proposal, seen by Reuters, cites an article under the General Agreement on Tariffs and Trade of the World Trade Organization, allowing an exception to "procurement by governmental agencies of products purchased for governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale".

Abhijit Das, head of the New Delhi-based think-tank Centre for WTO Studies, said the provision had been invoked by the United States in the past and India could do the same.

The protectionist move would, however, shrink foreign companies' sales in the world's fastest growing steel market.

percent in April-January period. We are seeing robust growth picking up in the steel sector. Our consumption is low. Infrastructure projects are coming up so steel will be required," the official added.

NMDC had invested Rs 1,222.65 crore till September 2016 to set up the integrated steel plant.

The company had completed capital expenditure of Rs 1,434.55 crore till September 2016, of which Rs 1,222.65 crore has been invested in Nagarnar steel plant, Rs 17.39 crore on pallet plant at Donimalai, Rs 75 crore in doubling of KK lines, Rs 7.21 crore on Kumarswamy Mine and Rs 4.76 crore in Bailadilla Deposits, the company had earlier said in a presentation.

In June last year, an environment ministry panel gave clearance to a captive iron ore mine in Bastar for the plant. The plant is expected to start trial production by mid-2017.

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