

India to become 2nd largest steel producer - Report



S&P Global Platts in its report said that India is poised to become the second biggest steel producing country in the world after China over the next 12-18 months, as steelmakers continue adding capacities in anticipation of upcoming demand,

It said that this production increase is despite the slow pace of current steel consumption in the country. India's overall finished steel output over Apr-Jan was only 82.87 million tonne, about 68% of installed steel capacity of 122 million tonne per annum.

India's steel ministry is drafting a new steel policy to raise the country's steel production capacity to 300 million tonne by 2030-2032. Previously, this target was set for a time period of 2025.

A number of private and state-owned mills have almost doubled their steelmaking capacities over the past five years, informed the report. The front runner was India's largest steelmaker, state-owned Steel Authority of India, which increased crude steel production capacity to 20 million tonne per year from the previous 13 million. But the increase in demand for steel is struggling to keep pace with the rise in capacity. Recent data from India's Joint Plant Committee shows that during Apr-Jan, SAIL's overall finished steel output rose by an impressive 15.6% year-on-year, but only reached 9.95 million tonne, way behind installed capacity of 12 million tonne per year.

The report said that while SAIL management aims to produce about 15 million tonne of finished steel during the fiscal year ending March 31, company officials estimate real output at about 13 million tonne.

States likely to earn over Rs. 1.5 trillion in royalty from mining

State governments are likely to earn over INR 1.5 trillion in royalty from the 100 mines they are preparing to auction in 2017-18, according to an estimate by the Union Mines Ministry.

Mining lease auctions in the last two years, which initially lacked momentum due to muted commodity prices in world markets, are picking up pace in line with rising prices. The government had in January 2015 replaced administrative allocation of mines with auctions by changing the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957.

Arun Kumar, Secretary in the Ministry of Mines, said the 21 rounds of auctions held recently by states will fetch them Rs73,300 crores over the life of the lease period, which is usually 50 years. He said that "Going forward, revenue from mining lease auctions will increase. The proposed

100 mining lease auctions could fetch states about Rs1.5 trillion, as per a very conservative estimate."

Mineral production in the April-January period of 2016-17 jumped 9% in quantity and 10.6% in value as commodity prices firmed up in global markets. Iron ore production, the largest among all non-oil mining output, grew 8% by value to INR 19,417 crore and 27% by volume to 154 million tonnes during the period from a year ago.

Output of limestone, used in cement production, expanded by 3% by volume to 256 million tonnes and 10.6% by value to INR 5,477 crore during the April to January period of 2016-17 from a year ago.

The government wants to expand the areas under mineral exploration to raise the



sector's share in the country's economic output by one percentage point from 2.4% now.

Kumar said the satellite-aided mining surveillance system introduced last October has led to detection of 29 cases of unauthorised mining across the country, representing 15% of the cases flagged by the system and investigated by states.