

Steel In The News

A compilation of leading news items on Indian steel industry as reported in major national dailies



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A Weekly Report by Joint Plant Committee

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RAW MATERIALS

NMDC Starts Iron Ore Exports Amid Slump

At a time when overall exports have fallen for the 12th straight month, state-run miner NMDC has initiated exports of iron ore. The move, which comes at a time when spot prices of iron ore have crashed to a seven-year low of \$38 per tonne, seems to have miffed the domestic steel industry. The latter is questioning the logic and timing of the exports, particularly since, NMDC's price realisation is believed to be about a quarter of the domestic rates. In June this year, the Cabinet approved renewal of the Long Term Agreement (LTA) with Japanese and Korean Steel Mills to export up to 5.5 million tonne to Japan and Korea annually over the next three years (April'15 to March 2018). However, an export duty of 30% on fines and high railway freight proved to be a major dampner. It was only after the government decided to lower the duty on exports to 10% and slash railway freight charges on exports by almost 46%. Rs 1572 per tonne from Rs 2900 per tonne earlier that NMDC managed to export the first consignment in November 2015. Steel industry sources feel NMDC should have sold the material in the home market where price realisation is better and this would have encouraged value addition at home.

Source: The Economic Times, 17th December, 2015

POLICY

Centre mulls minimum import price for steel products

With little respite in sight from burgeoning steel imports, the Centre is planning to fix the minimum import price for various steel products. The Steel and Commerce Ministries are working in close coordination, and the decision is expected to be announced in a few days, said sources close to the development. Steel prices have fallen sharply over the past few months and international steel companies are offering deep discount to capture Indian markets. In June, the government introduced a safeguard duty of 20 per cent on HR (hot rolled) coil imports of 600 mm and above for a period of 200 days. Seshagiri Rao MVS, Joint Managing Director, JSW Steel, said the industry has approached the government to fix a minimum support price for the entire supply chain to curtail imports rather than focus on particular products where shipments are rising. With falling steel prices, the sentiments turned low in the last two months, as the user industry turned cautious, said Rao. The user industry is trying to trim inventory loss by stocking up steel in advance, he added.

Source: Business Line, 14th December, 2015

COMPANY NEWS

DSP reports

Somdev Das, executive director, Alloy Steels Plans has assumed the additional charge as executive director I/c, Durgapur Steel Plant (DSP), SAIL. Das has been given the additional charge of DSP after PK Singh, former CEO, DSP was elevated and assumed office as chairman, SAIL at New Delhi. He is recognized for his technical expertise all across SAIL. He joined Alloy Steels Plant as ED in 2012.

Source: The Economic Times, 17th December, 2015

STEEL PERFORMANCE

Steel stocks surge on anti-dumping duty

Steel stocks clocked double-digit gains with the Street positively reacting to the government's anti-dumping levy on low-cost stainless steel imports to protect domestic players. Jindal Stainless surged 12%, Maharashtra Seamless rose nearly 1% and ISMT rose 1.5%, as the government levied anti-dumping duty on imports of cold-rolled flat steel products. Analysts opined that steel stocks were in limelight after the government on Friday imposed import duties for five years on some stainless steel imports from China, the European Union and the US. JSW Steel jumped 5.5% to a nine-month high. Jindal Steel, Tata Steel and Steel Authority of India (SAIL) advanced 1.5-4.7% with huge trading volume on hopes that the import duty could be imposed on other categories of steel products. Low-cost steel products imported from China will attract an additional duty of 57.39%. An anti-dumping duty of 52.6% has been levied on imports of steel products from the European Union, 13.4% on imports from South Korea and almost 37% on imports from South Africa, according to the notification from Central Board of Excise and Customs (CBEC).

Source: The Financial Express, 15th December, 2015

GLOBAL STEEL

China Steel Output Slumps to a 1-year Low as Prices Fall

Steelmakers in China reined in production last month as prices collapsed and the onset of winter in the largest producer curbed demand already hurt by a cooling economy. Crude steel output fell 1.6 percent to 63.32 million tonnes from a year ago, according to data from the statistics bureau. So far this year, production has dropped 2.2% to 738.38 million tonnes. China makes about half of the world's steel. Demand in China is weakening as policy makers seek to steer its economy away from investment-led growth to one driven by consumer demand and services.

Source: The Economic Times, 14th December, 2015

NEWS MAKER

ISP new head

Sudhir Kumar, executive director (finance & accounts) is now the head of IISCO Steel Plant (ISP) as executive director in charge. Kumar has been instrumental in managing the project finance of ISP's modernization and expansion project at a crucial phase.

Source: The Economic Times, 17th December, 2015