



COMPANIES P2

THERE'S POSSIBILITY OF PACTS WITH GLOBAL LEADERS: SAIL CHAIRMAN



'There's every possibility of pacts with global leaders'

Indian steelmakers are progressively stepping up production of high strength lighter steel. Steel Authority of India Ltd Chairman P K SINGH tells Kunal Bose any technology voids in making very high grade steel here could be filled by securing partnerships with world industry leaders. Edited excerpts:



P K SINGH
Chairman, SAIL

A major hurdle to building ultra mega steel plants in India is to acquire large tracts of land without state help. The country wants to take a leap to 300 million tonnes (mt) capacity by 2030 from 120 mt currently for which land will be a challenge. Is that new big capacity then realisable?

The informed estimate is that around 90,000 acres is needed to pack a capacity of 180 mt to achieve the 2030 target. A few leading steel groups, including SAIL, have much surplus land available with them that will allow building of 80 mt of new capacity. The challenge is then to find land to accommodate the remaining 100 mt capacity.

Parallel to attempts to buy land by promoters in their individual capacity, the ministry of steel has launched a programme to create infrastructure, including principally land in partnership with iron ore-rich states, such as Chhattisgarh, Jharkhand, Odisha and Karnataka, for hosting ultra mega mills with capacity of six mt and more. What is not to be lost sight of is that land requirement per mt capacity has shrunk considerably because of substitution of a few small blast furnaces by a very large one and other machines in the rolling and finishing sections becoming highly compact.

Future capacity expansion will create opportunities for steelmakers here to induct new generation technologies to make very high strength but lighter steel, as the likes of Nippon Steel and ArcelorMittal are already doing. Is that going to happen in India?

Yes, for sure. Some of us in the industry are progressively stepping up production of high strength lighter steel. The automobile industry, under pressure to improve fuel-efficiency of cars for these to conform to increasingly rigid emission standards, wants us to step up supply of what is called advanced high strength steel.

Margins of Indian steelmakers remain under pressure. Their research & development is not geared to make technology breakthroughs. In the circumstances, one sure way of making very high grade steel such as electric grade steel and fending off competition from aluminium and composites will be to seek tie-ups with world industry



leaders. Will SAIL walk this route?

Yes, there is every possibility of our entering into strategic partnerships with global industry leaders who are to bring both advanced process technologies and finances on a case to case basis. The industry has already in the country some joint ventures between Indian and foreign companies (one example is Tata Steel and Nippon Steel JV) in the high technology steel-making space.

Is it not time the industry started arming itself with technologies that would allow iron making with ore fines and non-coking coal? Is this on SAIL radar?

The future will demand use of low grade raw materials for production of good quality steel in the most economic way. The country is becoming increasingly dependent on coking coal import and we should be able to use the huge amount of ore fines ourselves that mines generate, instead of exporting. The challenge is to employ technologies which allow use low grade ingredients available here in abundance after their beneficiation.

The technologies I have in mind will dispense with sintering and pelletising of ore fines and coke-making. As a result, not only will we have reduction in production cost but steelmaking will be more environment-friendly.

Is the industry seeking protection from imports because its production cost is higher than peers elsewhere or due to predatory pricing of steel products by China and some others?

The European Union and the US have trade protective actions in place to give relief to local steelmakers from unfair competition from low priced imports. The Indian industry has not asked for anything more than a level playing field. Imposition of minimum import price and anti-dumping duty by New Delhi is based on incontrovertible evidence of imports causing injury to the local industry.

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