Volatility coming down, semi-finished steel exports likely to resume shortly: Atul Bhatt

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New Delhi, July 31

State-owned steel-maker Rashtriya Ispat Nigam Limited (RINL) is hoping export of blooms and billets—considered as semi-finished steel products—to pick up once the current volatility in the market settles down, its Chairman and Managing Director Atul Bhatt said.

THE BL INTERVIEW

The country's second largest steel-making PSU reported a turnover of ₹28,082 crore in FY22, up 56 per cent y-o-y. Similarly, exports witnessed a 37 per cent jump (y-o-y) to ₹5,607 crore.

In an interview with *BusinessLine*, Bhatt spoke about the export outlook, impact of geo-political tensions on the company's business, and efforts to secure coal mine linkages, among others. Excerpts:

What is the company's export outlook for this year?

RINL has consistently exported sizeable volumes of semi-finished steel products in the longs segment like blooms and billets for the past few years, which are the major sources of raw material to many steel rolling mills across the globe. There is no export duty on semi-finished steel. We are expecting to return to such exports shortly, once the current volatility in market prices and costs settle down.

Reports suggest the company has not taken any export orders in May and June. Your comments.

The recent geopolitical turmoil triggered by Russian-Ukraine conflict, higher raw material prices, weak demand from global buyers and lower offers by Russia have adversely affected export orders in the period. The volatility, however, is coming down and we expect to return to export of semi-finished steel shortly.

Despite being a shore-based steel plant, there's no captive coal mine or iron ore linkage. Any plans on these?

RINL imports around 5 million tonne per annum (MTPA) of low ash metallurgical coking coal from Australia, the US and Mozambique by entering into long-term agreements through Empowered Joint Committee (EJC) consisting of Directors of SAIL, RINL and NMDC. Besides, indigenous coking coal is being procured by us from Central Coalfields Ltd and Bharat Coking Coal Ltd.

> ***Waiver of import duty on coking coal and imposition of export duty on iron ore and pellets increase the cost-competitiveness of steel producers like RINL. We are dependent on procurement of iron ore and coking coal at market prices.***
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> **ATUL BHATT,**
> CMD, RINL

For iron ore, RINL has an arrangement with NMDC for supply of around 10 million tonnes, and any shortfall is met from other domestic sources like Odisha Mining Corporation (OMC) and the Orissa Minerals Development Company Limited—a subsidiary of RINL, SAIL, and NMDC Karnataka, etc.

Has the import duty waiver on coking coal benefited RINL?

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The third blast furnace at RINL has been idling since January. Any corrective measures?

Due to multi-fold increase in coking coal prices and inadequate supplies, the company had adopted two blast furnaces operation since the end of January. In spite of this, we registered our best ever production and techno-economics parameters in 2021-22.

The two blast furnaces operation has continued in FY23 as export prices of semi-finished steel sharply corrected, making them un-remunerative.

The present plan is to optimise the production to match the finished steel capacity. Once the export prices settle, we are planning to revert to full production levels.