

'Examining proposal, UK govt promised to come back soon'

Tata Steel has been in discussions with the UK government during the last two years for financial support to transition into a greener steel company, with some of the assets coming to their end of life in a couple of years. Managing director (MD) and chief executive officer (CEO) **TV NARENDRA**n tells *Ishita Ayan Dutt* that the new government is taking up the proposal. Edited excerpts:

You indicated at the Make-in-Odisha conclave about doubling capacity across locations in the state. Is that part of the 2030 plan?

We have said that we want to be at 40 million tonnes (mt) by 2030. And,

most of the expansion is happening in Odisha;

Jamshepur will be at the current capacity level.

We will add some EAF (electric arc furnace) units

like the one in Ludhiana. If that is successful, then over the next few years, we may build such units in the western and southern parts of the country. But largely, most of the expansion will happen in Kalinganagar, Neelachal or the Bhushan plant in Meramandali.

Given the current market conditions, do you see the expansion happening by 2030?

The good thing is, because it's all organic, we can pace it depending on

the market. Internationally, there is a hangover of high gas prices, the Ukraine war and higher interest rates. But as interest rates settle over the next couple of years, we believe that the macroeconomic situation outside India will also improve. There will be rebuilding in Europe and investment in green infrastructure. But we are waiting to see what is happening in China, which has been a spoiler in the last few months. In India, the demand will continue to grow.

With high gas prices, what is the outlook on Europe?

Gas prices have come down in the last 3-4 weeks because Europe seems to have enough gas to take care of this winter. But it's a bit fragile because they are worried about the next winter — in case, the war prolongs. The governments are supporting whenever the gas prices are high.

Is there any headway in discussions with the UK government on financial support?

Conversations are going on; the new government is examining our proposal. They have asked for some time to get back. We have highlighted to them our financial situation given the way things are in Europe. And, we have been promised that they will come back soon. We have given the government enough information to take a call.

Are the discussions happening afresh with the new government?

Yes, they are engaging with the proposal. The Liz Truss government was also engaged with the proposal.

But by the time

they could take it to any conclusion the government changed. The new government is now engaging with the proposal. And, they have promised to come back in the next few weeks.

Tata Steel's blast furnaces in the UK are coming to the end of life. Are you running out of time?

End of life is in another couple of years. But the other challenges are the current macroeconomic conditions and gas prices. Energy costs in the UK are high anyway. We don't want a situation where we are bleeding.

What about discussion with the government in the Netherlands on support?

We are also in conversation with the Dutch government. We have sent a formal proposal and they will come back to us. But there, it's slightly different. We don't have a situation like in the UK where there are end of life assets. Also, the Netherlands unit has financially always been in a stronger position than the UK unit. And, the transition there was planned in the next 7-8 years, anyway. But gas prices going up are provoking us to seek some comfort from the government about the future.

