

Auto industry bodies send SOS to govt on steel imports

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New Delhi, 12 December

Two leading auto industry bodies—Automotive Component Manufacturers Association of India (Acma) and Society of Indian Automobile Manufacturers (Siam)—have urged the Ministry of Steel and the Ministry of Heavy Industries to lift restrictions on certain steel imports, citing concerns over potential disruptions to automobile production in India.

Earlier in the day, Minister for Heavy Industries and Steel H D Kumaraswamy announced that the government is considering a proposal to impose a safeguard duty on imported steel. India's finished steel imports reached a seven-year high of 5.7 million metric tonnes during the April-October period of this financial year.

At a press conference on Thursday, Vinnie Mehta, director general of Acma, said the central government has clamped down "very heavily" on steel imports following a sudden surge.

"The fact remains that the import of automotive steel is a very small proportion, just about five per cent, of the overall import that happens. The imports are just in kilos, they don't even go into tons and quintals in some of the grades of steel. Because the government intends localisation, there have been a slew of QCOs (quality control orders), which ACMA has welcomed," he explained.

According to the process, the importer now needs a NOC (no objection certificate) from the government by justifying the need

Capacity utilisation of domestic steel may hit 4-yr low in FY25: ICRA

Capacity utilisation of the domestic steel industry in financial year 2025 (FY25) is poised to slip below 80 per cent for the first time in four years as cheap imports nibble at market share, ICRA said in its latest note on the steel sector.

The credit rating agency noted that the fresh upcoming capacity addition plan of 90–95 million tonne per annum (mtpa) entailing investments of \$45–50 billion, could be at risk of a slowdown unless earnings of domestic steel mills inch up from prevailing levels.

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for import of a steel grade, which falls under one of the QCOs.

"Unfortunately, at this juncture, the NOCs are not coming by. Both — ACMA and SIAM — have made representations to the Ministry of Steel and Ministry of Heavy Industries and we are hopeful because we have a common minister (Kumaraswamy). He will also be able to see the challenge being faced by the automotive industry because in some cases, the inventory levels have run so low that they may have to stop production. It is definitely a challenge that needs to be addressed," Mehta noted.