

# 'Stainless steel demand looks up as govt pushes for sustainability'

## bl.interview

**Suresh P. Iyengar**  
Mumbai

Stainless steel industry has been hit by cheap imports from China and Indonesia. Even as the government is accused of delaying its response to the demand for a countervailing duty on imports, export-dependent domestic stainless steel manufacturers have been impacted by the global slowdown.

Abhyuday Jindal,  
Managing Director, Jindal

Stainless, shares his views on the industry with *businessline*. Excerpts:

### How do you see stainless steel demand this fiscal year given the global uncertainty?

In FY23, our sales volume stood at 17,64,405 tonnes and the first quarter of the current fiscal year has also seen a decent growth in both domestic and export markets, notwithstanding the global uncertainty. Hence, we are hopeful that the demand for stainless steel will continue to grow. Also, with our increased melt capacity of 2.9 million tonnes per annum following the one-million-tonne stainless steel melt shop capacity expansion in March, we expect over 20 per cent volume growth in FY24 from FY23.

### Will domestic demand sustain?

Yes, so far as the domestic market is concerned, the



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**ABHYUDAY JINDAL**  
Managing Director, Jindal Stainless

future looks promising. A major driver of this growth is the end-user industry demand, which is buoyed by the government's push towards sustainability solutions, including infrastructure spending.

The budgetary allocation of ₹10-lakh crore for infrastructure development will drive demand for stainless steel.

Domestic stainless steel demand is expected to see CAGR of 9 per cent, as per a



can help us cater to the domestic market in order to minimise the impact of a global economic slowdown. Simultaneously, we are developing new markets in countries such as South Korea, South America, Middle East and Australia, so that we are not highly dependent on any particular market.

### Is India competitive in the global market, given the high cost of production?

In India, inefficiencies of high cost of capital and logistics mar the competitiveness of various industries, including manufacturing.

For global players, they have an efficient water and land logistics and a mature energy and infrastructural framework along with some government subsidies. Indian companies have an edge in manufacturing capabilities.

This is why Indian players

are preferred at a global level.

### With the Chinese economy rebooting, do you think more imports will flow into India?

Numerous producer countries have imposed tariffs on Chinese imports to create a fair and level-playing field for domestic players. India is not exempt from the potential threats posed by China.

However, there is optimism that the Indian government will acknowledge and undertake appropriate measures to bolster the manufacturing sector and safeguard its interests. If safeguard measures are not taken, more imports will flow into India and will hit the homegrown stainless steel industry hard.

The onslaught of imports has necessitated us to revisit and diversify the mix to maintain our relevance.

Crisil report in March. We have seen an uptick in the application of stainless steel in the country, making inroads into diverse industries.

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### Will the company's exports be hit by the global economic slowdown?

Our diversified product mix