

Steel firms fall short of PLI target due to China delays

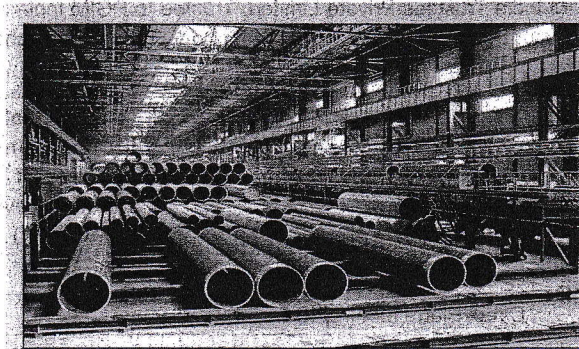
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New Delhi, April 15

STEELMAKERS FELL SHORT of an investment target for the fiscal year to March 2024 due to a delay in importing machinery from China and securing visas for Chinese experts, according to a government document reviewed by *Reuters* and sources.

Under a production-linked incentive (PLI) programme, launched in 2020, 27 steelmakers, including JSW Steel, Tata Steel, and ArcelorMittal Nippon Steel, signed 57 agreements with the government, promising to invest ₹21,000 crore in FY24.

But steel companies managed to invest only ₹15,000 crore, according to two sources, slowing down capacity expansion in the world's second-biggest crude steel producer even as domestic demand remained strong.

Steel companies have been facing difficulties in importing machinery from China and ensuring visa clearances for Chinese experts for more than



INVESTMENT PLAN

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six months, according to the government and the sources.

Some of the steel mills that managed to get equipment on time failed to get experts from China to work on new projects, one of the sources said. The sources did not wish to be

named as they were not authorised to talk to the media.

India's foreign ministry has issued guidelines to facilitate visa clearances for Chinese engineers, according to the document and one of the sources.

India's foreign and steel ministries did not respond to *Reuters* emails seeking comment.

Bilateral ties between China and India have been strained, especially since 2020, when 20 Indian soldiers and four Chinese soldiers were killed during a border clash.

Indian and Chinese soldiers again clashed at least two times in 2022 along their Himalayan frontier, according to new details that emerged earlier this year.

Aspurt in economic activity and a revamp of broader infrastructure have encouraged steelmakers to ramp up investment and boost capacity to take advantage of rising demand in India. Consumption is falling in Europe and the US.

Prime Minister Narendra Modi's government is keen to boost the production of high-end speciality steel and value-added steel products such as coated and alloy steel and electrical steel used in defence, space, power, automobile, and capital goods among others.

—REUTERS