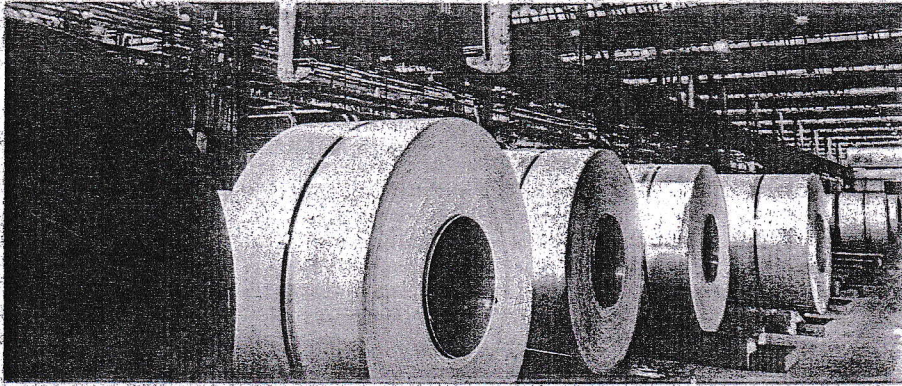


'India needs to develop 300 mn tons of steel capacity by 2030'



AGENCIES

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India needs to develop about 300 million tons of steel capacity by 2030, which is at present at 100 and 80 million tons at present, said Sandeep Poundrik, Steel Secretary to the government of India.

Speaking at the Curtain Raiser--FICCI's 97th AGM and Annual Convention, the steel secretary stated that there is no problem on the demand side, adding that the per capita consumption in India is approaching 100 kgs per person, which is an inflection point, as around this level of steel consumption, the growth of countries increases significantly.

"We will need about 300 million tons of capacity by 2030, which is at present at 100 and 80 million tons of capacity, so that means 120

million tons of additional capacity," the Steel secretary added, highlighting the need to develop the capacity.

He further added that the country will become a net importer of steel if our industry doesn't increase production.

Talking about the import of steel in recent months, the Steel Secretary highlighted the dumping in the international markets, which is impacting the steel prices in the international markets.

Going further, the Steel secretary recognized the concerns of the steel players on the steel price and added, "The Indian imports for the first half of this financial year have increased by roughly 41 percent, and exports have gone down by 36 percent. So that's a valid argument of the industry that steel prices are depressed and inventory levels in steel companies have

increased from the normal 15 days to 16 days; they have increased up to 30 days. So there is a genuine problem, and we are aware of that."

Pointing out the circumstances in the steel trade, Poundrik said that 62 percent of the country's steel is being imported from the Free Trade Agreement (FTA) countries, so even if the government increases the basic import duty, it will have no impact on these 62 percent of imports.

Addressing a question on disinvestments of Public Sector Units (PSUs) in the sector, the Steel Secretary added that divesting the PSUs will benefit the public as well as the private sector.

If we disinvest in some of the public sector units that are struggling, we will see both new private sector investment and efficiencies, he added.