

'International steel demand recovery remains fragile'

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International steel demand continues to remain "fragile" while things are "little better in the domestic market" (in India), TV Narendran, MD and CEO, Tata Steel said. The removal of export duty was "timely" and will help domestic steel mills tap the overseas market again.

Steel consumption for the April to October period grew by over 11 per cent y-o-y to 65.5 million tonne (mt). Consumption in the year ago period was 58.9 mt.

"In terms of steel demand recovery, international (markets) look fragile; while India looks a bit better. And for prices, we will have to see how they play out in the future," he told *businessline* on the side lines of the Indian Steel Association's conclave.

Trade sources say, Chinese exports rose 22 per cent as they went in to capture the Middle Eastern markets — a key export area for Indian mills — with relatively cheaper offerings. In



TV Narendran, CEO & MD,
Tata Steel KAMAL NARANG

H1FY23, steel mills saw their profits come down by 70 per cent over the same period last year as demand weakened in the global markets, exports took a hit and high coking coal costs impacted the bottom line.

COKING COAL SUPPLIES

According to Narendran, concerns over coking coal supplies have to be looked into (by the Centre) as steel production picks up.

India, the world's second largest crude steel producer, is also one of the largest importers of coking coal — a key steel-making raw material. In FY22, coking coal imports by India stood at 51 mt with

highest shipments coming in from Australia (to the tune of 45 mt).

"But I think we can make use of coking coal, which is available in the country, I think there's more that we can do. We are talking to the government about that. As the (steel) production goes up, the coking coal requirements will also keep growing. So we really need to solve this problem," he said.

STEEL HUB

According to Narendran, the removal of export duty from November 19 onwards would help establish "India as a great place to make steel" and allow opportunities to export.

"India has a great opportunity to export a lot of steel. Because most of the big steel exporting countries export only iron ore. Whereas we have our own iron ore; and some of the steel plants are normally built in poorer parts of the country. So it is a great opportunity for us to add value to our iron ore, create jobs, and build a large scale, globally competitive industry," he said.