

Jindal Stainless steels itself for Chinese dumping

ISHITA AYAN DUTT
Kolkata, 30 March

Often called the metal for nation-building, stainless steel is one of the fastest-growing value-added materials in the country. And Jindal Stainless, as India's largest stainless steel producer, is putting most of its eggs in the domestic market, buoyed by strong demand. But the company's Managing Director Abhyuday Jindal says Chinese steel dumping has put the entire industry in peril.

"We remain bullish. Domestic demand is very strong and we welcome the announcement by the government in the Budget this year on infrastructure spending... Railway expenditure has been doubled," said Jindal, adding that the Chinese threat

remains omnipresent.

A market leader in the home market, the major competition for Jindal Stainless is from imports. Imports from China, he said, are on a rise. "They have gone up drastically from two/three years ago. The reason for the trend is that the whole world has gone for some kind of protectionist measure against China. We are the only country open to them for dumping."

According to data, China's share in stainless steel imports was at 30 per cent in 2020-21, 41 per cent in 2021-22, and 50 per cent in the first 10 months of 2022-23. Besides China, Indonesia is another major source of stainless steel imports.

Jindal Stainless, which has two manufacturing units in



“... THE WHOLE WORLD HAS GONE FOR SOME KIND OF PROTECTIONIST MEASURE AGAINST CHINA. WE ARE THE ONLY COUNTRY OPEN TO THEM FOR DUMPING”

ABHYUDAY JINDAL
MD, Jindal Stainless

Haryana and Odisha, will shortly launch into its 1 million tonne (mt) expansion to take its capacity to 2.9 mt. The expansion comes at a time when domestic demand is expected to pick up.

According to a CRISIL Ratings report released on Thursday, India's stainless steel demand is expected to surge

through 2024-25 (FY25). Domestic demand for stainless steel, which was 4 mt in 2021-22, is projected to log a compound annual growth rate of 9 per cent in the three financial years through FY25, double the 4.5 per cent pace of the past five financial years, the report said. "This will be driven by increasing adoption of stainless

steel in the Railways — a focus area for government infrastructure spending — and rising application in the automotive and construction sectors," the CRISIL report added.

Jindal Stainless is expecting a volume growth of 25 per cent in 2023-24 and another 20-25 per cent in FY25. "If the market progresses and we see a faster uptick in demand, we can ramp up faster. Right now, the export market looks subdued and it would depend on how it moves," said Jindal.

Typically, 25-30 per cent of the company's sales are driven by exports. Jindal expects exports to gain traction in the second half of the calendar year. "We are seeing a pick-up in Europe. The US market has not picked up as we'd expected it to."