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Steel & TMT Bars



THE STEEL INDUSTRY HAS BEEN IDENTIFIED AS ONE OF THE FOUNDATIONS FOR THE NATION'S FUTURE DEVELOPMENT

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Activate Windows

Steel industry is thriving while the market for TMT bars is quite fragmented with a large number of small sized and regional players. How do both strike a balance for socio-economic development of the country?

Socio-economic development of a country is directly dependent on the availability and capacity of infrastructure to drive the growth to all sections of the society. Infrastructure provides the basic facility through which economic activities are sustained leading to the development of the country as a whole. The steel industry provides an important input for infrastructure creation and TMT bars are the basic foundation upon which structures small and large are built upon. An impediment free steel industry and hence TMT bars is necessary to meet existing demands of infrastructure creation and to create future demands so that the wheels of socio-economic development keeps on turning.

What major changes and developments have the steel and TMT bars industry witnessed over the years in terms of technology, productivity and manufacturing?

Since independence, the steel industry has been identified as one of the foundations for the nation's future development. Today India is the second largest steel producing country and among the top consumer of steel in the world. These advancements come on the back of sustained investments in the latest technology and manufacturing processes and enhancing production capacity to meet ever rising demand. The technological profile of Indian steel industry has seen substantial changes with the setting up of new large scale modern plants based on the latest technology. About 54% steel is produced through the Electric Furnace route of



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which about 28% steel is produced through the Electric Induction Furnace (EIF) route and 26% from Electric Arc Furnace (EAF) route. About 46% steel is produced through the conventional integrated route of BF-BOF route as against the world average of around 70%.

Indian Steel and TMT bar industry has been initially modest. Over the years how has it significantly contributed to the growth of the domestic iron and steel industry, in terms of spread, capacity, production, commodity and necessitation?

Right from independence, steel is identified as a growth industry and saw significant investments in R&D, process optimization and capacity enhancement over the years. Today we are one of the largest producer and consumer of steel in the world. The domestic iron and steel industry today is quite evenly spread across the country and in terms of capacity, production and necessitation the industry has benefitted from the years of investment and is comfortably placed to meet existing and emerging demands in the future.

What have been major investments such as FDI in this sector particularly? The impact and consequences it will have on the business growth and country's economy?

As per the national steel policy, 100% FDI is allowed in the steel sector through the automatic route. The government is continuing to support the steel industry and under the 14th Finance Commission (2019-20), 26 projects in the steel sector have been approved with the financial assistance of - \$25 mn. It has also set up an industry driven institutional mechanism - Steel Research & Technology Mission of India (SRTMI) - with an initial corpus of - \$31 mn, to focus on high-end research.

What measures are been taken to boost production to acceralate its growth and capacity, and move towards becoming self-reliant?

The Indian government has introduced the National Steel Policy in 2017 which envisioned the growth trajectory for the industry till 2031. The policy seeks to boost steelmaking capacity to 300 million tonnes by 2031-31 and crude steel production is expected to reach 255 million tonnes during the same time frame at 85% capacity utilisation. As a result of the focus on steel

industry it is expected that per capita consumption of steel will rise to 160 kgs and most if not all will be met through domestic production.

Would like to know your view about the recent Government Initiatives for this sector for accelerating growth in rural economy and infrastructure that is expected to lead to growth in demand for steel?

The government has set its priorities right by focusing on the creation of infrastructure, promoting manufacturing in the country among others to achieve self-sufficiency. Infrastructure is a major demand generator for steel industry and steel is an important component of almost everything that is of everyday use. From homes to automobiles to household use cups, steel is used. Steel is truly a growth accelerator and anything that increases the demand for steel almost always has a direct implication on growth and development.

On October 1, 2020, Directorate General of Foreign Trade (DGFT) announced that steel manufacturers in the country can avail duty drawback benefits on steel supplied through their service centers, distributors, dealers and stock yards. Your views?

The Directorate General of Foreign Trade (DGFT) announcement of duty drawback benefits on steel supplied through service centers, distributors, dealers and stock yards is a move in the right direction as it addresses liquidity concerns of steel manufacturers. The announcement will have a positive impact on the steel industry as a whole.

Which sectors in future promises huge scope for development and progress for steel and tmt bars sectors that will eventually give a boost to demand and consumption?

While commercial use is an important driver of demand in the country, the domestic use sector in the country is promising as rural economy picks up construction activity will result in the generation of more demand in these regions. Infrastructure creation in cities as well as urban and semi-urban centers and the focus on road construction will also continue to boost the demand and consumption of steel and TMT bars in the country. ■