



“ We can safely say that we are witnessing a healthy revival of stainless steel market ”

Mr. K. K. Pahuja
President

Indian Stainless Steel Development Association

Mr. K. K. Pahuja has over 40 years' experience in the Steel Industry in the areas of operations, market development and policy-making. As President of Indian Stainless Steel Development Association, he is currently driving efforts for promotion and growth of Indian stainless-steel industry. He has worked at Steel Authority of India Ltd. as Executive Director, where he has been part of corporate operations and involved in product development, enhancing operating efficiencies and driving growth plans of the company. He is a mechanical engineer from BITS Pilani and MBA from FMS, Delhi University. He has been a senior assessor for CII-EXIM Bank Business Excellence Award and has been advising many companies on their journey towards excellence and change management. He is also guest faculty for Strategic Management at IIFT Delhi.

S.S: Post lockdown, how much of improvement in the stainless-steel market in India?

K.K.P: As you may be knowing, Indian stainless steel industry was affected, like rest of the industry, by sudden Covid 19 lockdown announced in last week of March 2020. The production was resumed in phases by different companies from third week of May 2020, after the lockdown was lifted. There were multiple challenges while resuming production, like setting up safety and health protocols at the plants, migration of labour, complying with many Government guidelines, rebuilding the supply chains, and reviving the markets. The projection for demand/consumption for 2020-21 is difficult to predict as situation is still evolving but we can safely say that we are witnessing a healthy revival of stainless steel market. We are now close to pre covid levels and soon will be back to normal operations. Having said that, I would like to add that loss of production and market in Apr-May 2020 is difficult to make up this year.

S.S: How has the stainless-steel market with the Free Trade Agreements (FTAs) signed by India with ASEAN countries?

K.K.P: As you may be knowing India has FTAs with Japan, Korea and the ASEAN block and stainless steel products can be imported from these countries at zero duty While

the first two have traditionally been major stainless-steel producing countries, there has been huge stainless steel capacity build-up of about 5 million tonnes of flat products in Indonesia in the ASEAN region during last 2-3 years. This large capacity is totally disproportionate to local ASEAN demand and targeted towards other growing markets, thus distorting stainless steel markets around the world.

Consequently, the import patterns of stainless steel flat products into India has completely got skewed towards ASEAN during last two years. If one were to look at the share of imports from the FTA partner countries, the following scenario emerges:

Countries	2016-2017	2018-19	2018-19	2019-2020
ASEAN	5.6%	6.1%	26.2%	52.0%
Other FTA	20.2%	27.6%	30.8%	17.2%
China	54.4%	39.7%	20.0%	13.9%
ROW	19.9%	26.7%	22.9%	16.9%
Grand Total	100.0%	100.0%	100.0%	100.0%

So more than half of imports is now from ASEAN. While all FTAs partner countries have benefited more than us from these arrangements, subsidized stainless steel flat products from ASEAN have been greater cause of concern. We welcome Government move to review these FTAs so as to have a level playing field for our industry.

S.S: What steps are you as an organisation representing Stainless Steel producers feel the Government of India should take on an immediate basis to safeguard the interest of the producers?

K.K.P: Government has already laid the foundation for economic revival with a set of reforms, which will bear fruits in time to come. We expect some more support for the MSMEs, which constitute about 40% of stainless-steel industry. Next priority is market growth by increasing infrastructure spending. Other measure can be making life cycle cost analysis mandatory for evaluation of all public projects to build sustainable infrastructure. We also need to improve industry's competitiveness by making raw materials and input costs low, and last but not the least is prompt action on unfair trade practices.

S.S: Can the anti-China sentiment be a boon to Indian Stainless Steel Producers?

K.K.P: I think decisions should be based on facts and not on sentiments. It is a fact that an anti-subsidy investigation found in 2017 many non-WTO compliant subsidies in flat product imports from China and CVD @18.95% was imposed. It is a fact that cases of circumvention of duty has been detected by routing Chinese origin material through third countries, abusing rules of origin, for which Government has taken action. It is a fact again that recently investigations have found hidden subsidies in flat products import from Chinese companies in Indonesia and CVD has been imposed. All these measures are aimed at providing level playing field for domestic stainless steel industry.

S.S: What future of Indian Stainless Steel do you see in the next 5 years?

K.K.P: Stainless steel is known for its corrosion resistance, mechanical strength and formability, fine lustre, hygiene, recyclability etc. Therefore, it finds wide variety of applications in Metal products, Process Industry and Engineering, Architecture Building & Construction, Automotive Railway & Transport, and many others. Indian Stainless-Steel Industry has been doing well over the years and consistently registering higher average growth compared to rest of the world. But we have a long way to go considering our low per capita stainless steel at 2.5 kg against world average of 6 kg. In this context, I will list some new promising areas arising out of recent policy announcements, which can boost growth, such as- a) Agriculture and farm sector reforms can increase stainless steel consumption in food storage and processing, fisheries, and dairy industry, b) Opening of strategic sectors of defence and aerospace can push demand in this area many times, c) Energy sector, both renewables and others are another area for stainless steel to grow. d) Infrastructure and construction will continue to remain a focus area where stainless steel can provide long term sustainable value. Public transport sector will continue to be a fast growth area for stainless steel. e) Expansion of medical and health services provides further potential for growth of stainless steel. So, we see faster growth of stainless steel in traditional as well as new sectors in next 5 years.

NTPC signs JPY 50 billion agreement with JBIC



In the first funding for NTPC Ltd. under Japan Bank for International Co-operation (JBIC)'s GREEN or Global Action for Reconciling Economic growth and Environment preservation initiative, India's largest power producer entered into foreign currency loan agreement with Japanese Government's financial institution for JPY 50 billion (approx. USD 482 million or Rs. 3,582 crore). JBIC will provide 60% of the facility amount and the balance will be given by commercial banks (viz., Sumitomo Mitsui Banking Corporation, the Bank of Yokohama Ltd., the San-In Godo Bank Ltd., the Joyo Bank

Ltd. and The Nanto Bank Ltd.), under JBIC guarantee.

The facility is extended under JBIC's outreach for projects, which ensure conservation of global environment. The loan proceeds shall be utilized by NTPC for funding its capex for Flue Gas Desulphurization (FGD) & Renewable Energy projects. FGD, substantially reduces the SOx emission in the flue gases of thermal power plants and is a critical step towards environmental sustainability.

The loan agreement was signed by Shri Anil Kumar Gautam, Director (Finance), NTPC and Mr. TANIMOTO Masayuki, Managing Executive Officer, Global Head of Infrastructure & Environment Finance Group, JBIC through video conferencing.