MARKET OUTLOOK POST-COVID

Scenario of the Indian stainless steel industry after COVID-19

COVID-19 has severely impacted industries worldwide. It is a globally unprecedented scenario and there is no playbook that can guide professionals to easily steer away the industry from this complex state of affairs. India is still grappling with lockdowns and thus, the stakes with respect to business uncertainty are high. Although, the Indian government has partially eased the lockdown and allowed some industries including the metal industry to operate, in my opinion, no industry can operate in isolation. Factors like unabated demand, continuity in supply chain, and consistent production are critically important for any business.

By Mr. K.K. Pahuja, President, Indian Stainless Steel Development Association (ISSDA)

The industry now needs to adapt to a ‘new normal’ and get back to business soon. As a result, decision making has to be quick, bold, and accommodative of the present circumstances. In my view, businesses can put long-term planning in abeyance as a result of the high level of uncertainty for at least the next 2-3 years.

Since the lockdown was enforced, production of stainless steel in India was completely halted for a month. It was only in the last week of April that a few of the organized players started their mills in a restricted manner, with less than half of their capacities. As for May, companies have been unable to ramp-up their capacities and continue to operate at mere 30-40%. A month’s production loss has been in consistent dialogue with the government to focus on stainless steel demand creation in the country. The advantage of low trade barriers, PTAs (preferential trade agreements) to flood stainless steel products in the currently disrupted Indian market. Hence, we have requested the government to impose temporary curbs on imports to support the domestic industry.

ISSDA has been in consistent dialogue with the government to focus on stainless steel demand creation in the country. The exponential growth in imports, to the tune of 50-60%, in the recent past, has had a severe impact on the domestic market. It is thus necessary to ensure that domestic demand is met by domestic manufacturers only and overseas manufacturers don’t take advantage of low trade barriers. PTAs to flood stainless steel products in the currently disrupted Indian market. Hence, we have requested the government to impose temporary curbs on imports to support the domestic industry.

About the ISSDA

The Indian Stainless Steel Development Association (ISSDA) is a not for profit organization, registered under section 12A of Companies Act, 1952, committed to the growth and development of the stainless steel industry in India. Founded in 1989 by leading stainless steel producers, it was formed with the explicit objective of diversifying the applications of stainless steel in India and increasing usage volumes in the country. At the point of formation of ISSDA, the main visible application of stainless steel was essentially household kitchenware, which has now diversified significantly. ISSDA currently has a membership base of over 145 companies engaged in the production and processing of stainless steel.