

Addressing the Concerns in Indian Steel Industry

What is the issue?

\n\n

\n

- Across the globe there is revival in the demand of steel and a reduction in production capacity of steel.

\n

- India has to concentrate on realigning its focus on steel production methods to become global leader in steel production.

\n

\n\n

What are the concerns in Indian steel production?

\n\n

\n

- India is witnessing growth in its steel industry, and ranks 3rd in world steel production.

\n

- In spite of this, India's growing economy lacks in productive and best-in-class steel industry.

\n

- The cost of steel transportation in India is three times of what it should be with a normal transportation infrastructure.

\n

- Congested and expensive rail infrastructure is one of the biggest impediments to a productive steel industry.

\n

- India is primarily relying on coal based steel production, which has environmental implications.

\n

- India is already over-exploiting its available raw material sources for steel production.

\n

\n\n

What actions need to be taken?

\n\n

\n

- New areas for raw material exploration for steel production could be taken up.

\n

- Clean coal energy sources like coal gasification can make steel at the lowest cost, lowest carbon footprint and with sustained profitability and returns.

\n

- Appropriate raw material blending, exploration, acquisition and financial engineering, can increase earnings from steel production consistently.

\n

- India is endowed with over 7,000 km of coast-line.

\n

- It could be used to convert the logistical disadvantage of steel industries into unbeatable competitive advantage.

\n

- This, added with transport of slurry iron-ore through pipelines can be used to create a low cost, low carbon, multi-modal transportation infrastructure that decreases the cost of steel.

\n

- Digital technologies, analytics, simulation and sensors can also transform the way steel is made.

\n

\n\n

\n\n

Source: Business Line

\n\n

\n\n

\n

