

Steel import duty can be raised: Paswan

Domestic production up 2.4% in January

Our Bureau

New Delhi, Feb. 18

The Minister for Steel, Mr Ram Vilas Paswan, said here that the import duty on steel could still be increased through a notification. The steel industry, which has been badly hit by the recession, has been demanding protection from imports.

Speaking at a summit on "Mining to Steel" organised by the Indian Chamber of Commerce, the Minister said that increasing the duty didn't have to be a budget decision.

The Secretary for Steel, Mr P.K. Rastogi, said that January 2009 steel production was higher by 2.4 per cent over last January, which was a positive indicator for the industry under pressure. This was mainly due to demand for long steel products, the demand for flat products had yet to improve, he added.

Finished steel production during October-December was down by 8 per cent over the corresponding period last year. Consumption was down by 13 per cent.



(From right) The Indian Chamber of Commerce President, Mr Sanjay Budhia; the Minister for Chemicals, Fertilisers and Steel, Mr Ram Vilas Paswan; the ICC Senior Vice-President, Mr Vishambhar Saran; and the SAIL Chairman & MD, Mr S.K. Roongta, at the 2nd Summit on 'Mining to steel making,' in New Delhi on Wednesday. — S. Subramaniam

Mr Rastogi said the Government was also reviewing the 57 coal blocks allocated to companies for captive use. Only four companies have started production from these. He said pending a critical review, those blocks not being used could be reallocated to others who would make better use of coal linkages.

He also added that the National Mineral Development Corporation was looking at acquiring iron mines in African countries. Coal Ventures International, the

special purpose vehicle promoted by five state-owned corporations including SAIL and Coal India, was also looking to acquire coking coal assets in Australia, Canada, Mozambique, among others.

Mr Partha S. Bhattacharya, Chairman and MD, Coal India, said that they had not made any headway yet, but there was optimism of a breakthrough in 2009-10.

Mr Paswan earlier said that new steel projects, particularly Greenfield ones,

would be delayed because the credit crunch had led to a slowdown in demand from housing and infrastructure. But, this was also a good time to tie up input resources and get better deals.

The SAIL Chairman, Mr S.K. Roongta, added that newer technology could now be acquired at reduced prices. At SAIL, supply was still higher than demand, though demand primarily from construction sector was improving, he said. The month-on-month auto sales also improved in January