

## Anti-dumping measures needed to safeguard domestic industry

**D**riven by its focus on sustainable growth and value addition in its products and services, JSL Stainless Ltd has led the way with continuous innovation.

It initiated strategic growth plans in both domestic and international markets and has made investments towards capacity expansions through forward and backward integration.

The leading stainless steel maker has further plans to propel the industry forward, which the company's President & Executive Director, **Mr Ramesh Nair** shares in conversation with **Paresh Parmar** and also moots changes in the existing policies required for securing future growth...

### How is the Indian stainless steel industry doing at present and how do you see its future prospects?

At present, the global stainless steel industry is under pressure on account of slowdown in demand and over capacities in China. For past one year or so the Indian stainless steel industry has been reeling under pressure of cheap imports and inconsistency in raw material security. In stainless steel flat products, imports are controlling over 30 per cent of the domestic market share which is a cause of worry.

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**Ramesh Nair**  
President & ED,  
Jindal Stainless Ltd



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### On the impact of increase in raw material prices of chrome ore and coal...

Stainless steel industry is dependent on the price movement with respect to chromium and nickel. During price hike we are not always in the position to pass on the additional cost to our customers, which results in lowering of our margins. In fact, the entire industry has been suffering losses for the past one year.

### Where do you see the stainless steel prices in India in short-term?

Well, it all depends on the stability in prices of stainless steel scrap, chrome, nickel and more importantly, the global supply demand scenario and dumping of goods from China

and other markets.

### On the major challenges confronting the industry...

We, in India, are concerned about surge in imports of flat products over the past few years. Imports from China have gone up dramatically and that too at very low prices, thus impacting stainless steel production, profitability and market share.

### Any policy changes you wish to suggest to the government?

With close to 34 per cent of the domestic market share in flat products going to imports, the very survival of the domestic industry is becoming tough. The industry would like government to take a serious look at this unprecedented growth in imports and take necessary measures to curb this surge.

### What are the current demand drivers for stainless steel industry and what would be the major thrust

## areas further in India and globally?

In India the largest share of stainless steel demand continues to come from the kitchen utensils and appliances sectors. We are also pleased with the increased usage of stainless steel in industrial application and manufacturing of metro and railway coaches - the wagon industry. We are working on newer applications of stainless steel in the infrastructure sector, as large allocations have been made in the 12<sup>th</sup> Five-Year Plan from 2012-17.

## What is India's export potential for stainless steel products?

India is in a position to export stainless steel mill products like plates, HR and CR coils and sheets, the fabricated products like kitchen utensils and automotive components are also promising for export to markets in Europe, Russia and Middle East.

## Tell us something about JSL's future expansion plans and marketing strategies...

JSL is following various marketing strategies pertaining to the product mix. With the availability of additional quantities from the Jajpur plant and enhanced product range, with respect to width and also a special product having 2E finish, JSL is now in a position to offer better range to its customers.

Moreover, JSL has increased its focus on Just-in-time (JIT) deliveries, by setting up warehouses that are strategically located both in India and abroad.

Jindal Stainless Steelway Ltd, the service centre arm of Jindal Stainless brings convenient, customized, just-in-time services at the doorsteps of its valued customers. Specific requirements of slitting, cut to length and different surface finishes are extended to the customers across variety of industries.

Also our organization structure has been revamped to have separate focus on 'Sales' and 'Central Marketing' so that the sales team is able to have more thrust on CRM,

Sales and Key Account Management whereas Central Marketing shall be providing the complete strategic service solutions to the front-end team.

## Tell us about your performance highlights for the year...

Current year has been a tough one. Results have not been good mainly due to pressure on prices due to cheap imports/dumping; pressure on costs due to inconsistent policies by the government resulting in key raw materials insecurity, and high interest costs due to capitalization of our new Jajpur facility. Forex fluctuations have added to the woes of the industry.

Currently, JSL is in the process of stabilizing the ramp up at the new plant and no major capex is on anvil. However, the basic essentials for de-bottlenecking at strategic places are under consideration.

## Comment on your R&D efforts to achieve higher productivity and reduce energy usage?

In today's highly competitive world survival without technical innovation and R&D seems next to impossible. Jindal Stainless today is a leading player in the global stainless steel market and a big credit for this has to go to our Product Innovation and R&D division.

Numerous systems and processes have been put in place to look at how each and every stage of the manufacturing process can be improved. For instance, production of 304 and 430 grades has been achieved without slab grinding by optimizing the process parameters resulting in cost saving and increase in the product yield. Jindal Stainless's proprietary grades of Cr-Mn 200 series have been very well received in both, the domestic and as well as the global markets.

We also monitor our waste discharge not only from environmental angle but also from the angle of recovery of precious metals. Similarly, apart from

investing in power efficient equipment, efforts have been made to inculcate energy consciousness across the company. We are proud of the fact that we were awarded the 2<sup>nd</sup> Prize in the National Energy Conservation Award 2012. Our Hisar Plant has had the distinction of winning this award on earlier occasions also, in 2007 for the 1<sup>st</sup> position and in 2011 for 2<sup>nd</sup> position.

## Please tell us about the stainless steel facilities at Jajpur, Odisha...

We have set up a fully integrated (from ferro alloys to cold rolling) stainless steel plant at Jajpur along with a 250 MW captive power plant. Once the ramp up is completed, this will be one of the most cost competitive stainless steel plants in the world.

The current capacities include 0.25 million tonne per annum for ferro alloy and 0.8 million tonne per annum for stainless steel.

We are also planning to create a 'Stainless Steel Industrial Park' adjacent to our plant at Jajpur to facilitate setting up of downstream industries. The plant and the Industrial park sites are well connected by road & railways network and are located within 100 kms from mines and shipping ports.

## Your outlook for SS industry...

At present, our per capita usage of stainless steel is little over 2 kg which is one of the lowest among the other developing economies and all the efforts are concerted towards growth of stainless steel industry in sectors like automotive, railway & transport, architecture, building & construction, capital goods for the process industry, and new areas like stainless steel plumbing and overhead water tanks.

Expected domestic consumption could be anywhere between 8 and 10 per cent and as the industrial growth environment improves in the country we may see consumption growth at even higher levels.