

GLOBAL STEEL 2011

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Rhapsody in Steel

Gujarat NRE and *The Economic Times* present Global Steel 2012, the 7th international conference on steel and steel making raw materials, January 27-28, 2012, New Delhi. Global Steel 2012 is being organized to chart a clear path for the steel industry in India to prosper – hence the theme chosen this year is ‘Scripting a new Renaissance’.

to convey their views, ideas and comments on the topic under discussion and also to arrive at some key recommendations and a clear point of view on the topics under discussion.

The conference would also analyze the supporting logistics and infrastructure facilities and their suitability and the raw material security plan. Increasing price of raw materials like coking coal and iron ore and scarce supply world wide has become one of the key concerns of steel makers

around the world. Global Steel 2012 would analyze the global trend, also the effect of China which is a dominant force in the steel spectrum, the supply and demand dynamics etc., to chart a clear strategy for India's new steel renaissance. Focus would also be on the role of Australia and other nations in supplying coking coal, the most important raw material in steel making. A concurrent exhibition, limited to the sponsors of the event, would also be organized.

Entrepreneurs looking for new ventures, diversification opportunities / joint ventures, dealers / end users, leading consultants and nodal agencies would enrich the proceedings with their participation and knowledge. International delegates and merchant bankers from Australia, Germany, New Zealand, Singapore, Hong Kong, UK, UAE, Belgium, USA, Brazil, Ukraine and China are regular participants in all the past conferences.

EVENT HIGHLIGHTS

- Two-day conference
- Welcome dinner for registered delegates on January 26, 2012
- Exhibition
- Networking cocktail dinner on January 27, 2012
- Fashion show

The conference has made its mark as one of the ‘not to be missed’ steel conferences around the globe. The programme is designed as interactive panel discussions to evoke all round participation of all participants. It is perhaps the only steel conference which allows higher level of debate and participation from all, giving ample opportunity for our distinguished panel speakers

CONFIRMED SPEAKERS AT GLOBAL STEEL 2012

- **Dr J J Irani**, Former Director, Tata Sons
- **Mr C S Verma**, Chairman, SAIL
- **Mr Peter Marcus**, Managing Partner, World Steel Dynamics, USA
- **Mr P K Mukherjee**, Managing Director, Sesa Goa
- **Mr R K Goyal**, Managing Director, Kalyani Steels Ltd
- **Mr V R Sharma**, Deputy Managing Director & CEO, Steel Business, Jindal Steel & Power Ltd
- **Mr Ellen Ewurt**, Managing Director, Wood Mackenzie Coal Research, Australia
- **Ms Marian Hookham**, Managing Director, Energy Publishing, Australia
- **Mr Mark Gresswell**, Chief Analyst & Director, Salva Resources, Australia
- **Mr John Kearsley**, Executive Director, SSY Consultancy Research Ltd, UK
- **Mr John Johnson**, CRU China CEO and Chief Representative, CRU Beijing, China
- **Mr Real Foley**, Vice President- Coal Marketing, Teck Resources Ltd, Canada
- **Mr Paul Gray**, Principal Analyst- Iron Ore, Wood Mackenzie, Australia
- **Mr Jim Lennon**, Executive Director – Commodities Research, Macquarie Capital (Europe) Ltd, UK
- **Mr Peter Linford**, Senior Trade Commissioner, Austrade
- **Dr Neil J Bristow**, MD, H & W Worldwide Consulting Ltd, Australia
- **Mr Arun Kumar Jagatramka**, CMD, Gujarat NRE Coke Ltd



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The steel consumption in India has been stagnant for the greater part of the year. Domestic demand has not risen as per expectation and we are yet to see the anticipated surge in rural demand. The external global economic conditions particularly the Euro zone crisis has been the real dampener, however most analysts feel that the US would be able to get its act together.

The domestic status quo has been the

Gujarat NRE grows in an environment of sluggish steel growth



On Upward Mode

And when the steel growth rebounds, riding on high coke price, Gujarat NRE will be ready to ride the crest of the wave

prime reason for the sloth like pace of growth of Indian Steel Consumption. It has been a well known fact that the gross fixed capital formation has plummeted. The Gross Domestic Product has also been much below the target. According to CMIE data, the volume of capital locked up in stalled projects, that is projects that have been initiated but are now stagnant and thus are suffering from time

and cost over-runs, is at present a staggering three times more than those in 2007. All the above reasons only point to the fact that infrastructure growth and other manufacturing expansions are not at the pace which would have augmented steel consumption. In the first five months of the year, Indian steel consumption rose by a mere 1.2%, which in real terms means 29.7 million tonne (compared to 29.3 million tonne in 2010). Indian steel mills are presently running at a 70-80% capacity utilisation. In face of this alarming deceleration of steel industry, comes the Karnataka mining crisis.

Interesting to note is that in spite of this stagnancy in steel growth, the price of coking coal and coke has been considerably high. The price of coking coal has been in the range of \$280 - \$320 per tonne as against \$129 two years back and \$225 last year and that of met coke has been moving around the \$450 per tonne mark. This high price can only be attributed to the supply scarcity.

Gujarat NRE has been maintaining its

met coke production at a steady level. Ask Arun Kumar Jagatramka, chairman and managing director, Gujarat NRE Coke, and he would very calmly say that “I do not get perturbed at things that are beyond our control like the present economic stagnation. What is in our hand is to work for the future and prepare ourselves for the demand growth which is inevitable. In our industry, if winter is here, spring can't be far behind.” Gujarat NRE Coke Ltd, the largest independent metallurgical coke producer is working on building capacity in line with the projected steel consumption growth to harvest rich benefits when the market rebounds. The company is preparing itself to reap the boom of the shiny days which can not hide long behind the twilight.

The company has been making all correct moves presently. Gujarat NRE is increasing its coking coal production in its Australian mines which would in turn feed the growing met coke production in India. The company has achieved another landmark in this direction as it introduces longwall mining at its No. 1 Colliery at Russell Vale from December 2011. The company had placed an order for \$90 million with Joy Manufacturing Company for the same and the first batch of longwall equipment is on site and ready to go underground as per schedule.

And when the steel growth rebounds, riding on high coke price, Gujarat NRE will be ready to ride the crest of the wave. The domestic coke prices are reasonably high and when the demand increases due to the increase in steel consumption and consequently steel production rises, it is only anybody's guess the high level which the coke prices may attain.

