Addressing the Concerns in Indian Steel Industry

What is the issue?

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- Across the globe there is revival in the demand of steel and a reduction in production capacity of steel.
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- India has to concentrate on realigning its focus on steel production methods to become global leader in steel production.
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What are the concerns in Indian steel production?

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- India is witnessing growth in its steel industry, and ranks 3rd in world steel production.
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- Inspite of this, India’s growing economy lacks in productive and best-in-class steel industry.
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- The cost of steel transportation in India is three times of what it should be with a normal transportation infrastructure.
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- Congested and expensive rail infrastructure is one of the biggest impediments to a productive steel industry.
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- India is primarily relying on coal based steel production, which has environmental implications.
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- India is already over-exploiting its available raw material sources for steel production.
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What actions need to be taken?

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- New areas for raw material exploration for steel production could be taken up.
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- Clean coal energy sources like coal gasification can make steel at the lowest cost, lowest carbon footprint and with sustained profitability and returns.
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- Appropriate raw material blending, exploration, acquisition and financial engineering, can increase earnings from steel production consistently.
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- India is endowed with over 7,000 km of coast-line.
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- It could be used to convert the logistical disadvantage of steel industries into unbeatable competitive advantage.
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- 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.
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- Digital technologies, analytics, simulation and sensors can also transform the way steel is made.
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Source: Business Line

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