



VITAL INDUSTRY UPDATES - 23/09/2015

Cargo handling at Paradip Port up by 7.10 pc till Aug.

Maintaining its upward march in cargo handling, the Paradip Port handled 30.61 million tonnes (mt) of traffic till August 2015 as against 28.58 mt it handled during the corresponding period of the previous year, a growth of around 7.10 per cent.

The Port's ship handling also rose by 14.84 per cent to 673 ships during this period as against 586 in the corresponding period of the previous financial year, the Paradip Port Trust (PPT) said in a release.

Centre may start auction of 80-90 identified mine blocks by November

The Centre is likely to start the auction of 80-90 identified mine blocks by November and assist states facing problems in this process. About 146 blocks have been marked by the states, of which 82 blocks are likely to be auctioned in November, Union steel and mines minister Narendra Singh Tomar said.

"The central government will come to the rescue of any state intending to further promote the mining sector but is facing problems in auction process," the minister said at a mining meet organised by industry lobby Assocham in Delhi. "States are participating in the auction process as per their capacity...I feel this process will begin in November," he added.

Balvinder Kumar, secretary, mines ministry said the draft report on National Mineral Exploration Policy will be put in public domain in two-three days to invite



suggestions from the industry including both public and private sectors. "In two months, we will have a new exploration policy and hope to attract funds to the tune of Rs 400-500 crore per annum. These funds will be used for exploration," said Kumar. "We want to have a very conducive policy where exploration can be encouraged through private sector."

The secretary also said that the mines ministry is formulating rules for offshore exploration and mining. "We hope that in two months these rules would be ready and by the end of this year we will see that all the 80 blocks are allotted for exploration as well as for mining purposes because there is still tremendous scope for sand in the southern region," he said.

On the issue of transfer of existing captive mining leases, Kumar said there should have been provision for transfer of mines which have been allotted earlier but the law department has given very clear opinion that the mines ministry cannot transfer any mining lease whether it is existing or for those which would be allotted through auction.

"Though it is a setback for the industry we will have to explore other areas to resolve this issue," Kumar said. The secretary admitted that the mining industry is passing through a lean patch. "The manufacturing sector is in a very depressed state. There is hardly any growth and particularly in the mining sector we see iron ore, aluminium, copper and steel prospects are not very bright," he said.

UltraTech commissions 1.6 MTPA grinding unit in Haryana

Aditya Birla Group flagship firm UltraTech Cement BSE -0.74 % today said it has commissioned its grinding unit with a capacity of 1.6 million tonnes per annum



(MTPA) in Jhajjar, Haryana.

The move is aimed at increasing the firm's slice in the north region -- that accounts for a lion's share of India's cement market -particularly the National Capital Region (NCR) and Haryana.

With commissioning of the firm's 13th unit, UltraTech's total cement capacity has reached 63.1 MTPA, it said in a regulatory filing.

The third line at Aditya Cement, Rajasthan, commissioned in March 2015, will cater to the clinker requirement of this plant, it added.

North region accounts for 35 per cent of the cement demand in the country and is expected to grow at around 8 per cent, it said.

"With this commissioning, the company will further increase its capacity in north region. The plant's location at a distance of less than 100 kms from the markets of NCR and Haryana will assist in capturing the growing demand for cement in this region with timely and effective supplies to the customer," it added.

Shares of the company today fell 3.27 per cent to settle at Rs 2810.90 apiece on the BSE.

Tamil Nadu asks GIS to do study on molybdenum availability in Dharmapuri district

Tamil Nadu has asked Geological Survey of India (GIS) to carry out a study on availability of Molybdenum in Dharmapuri district and said it would consider setting up a related industry based on the report.



Industries Minister P Thangamani said GIS had carried out a study in Harur-Uthangarai areas between 1983 and 2003 and Molybdenum deposits were estimated to be available at Velampatti village in an area spanning 1.2 km length and 320 metres in breadth.

Another study was carried out in south Velampatti and Vellakkal central areas by GIS in 2008-09, he said.

The minister was responding to a special call attention moved by Haroor MLA P Dillibabu of CPI(M) in the state assembly on the need for the government to set up a Molybdenum industry in Dharmapuri district.

Thangamani said the 2008-09 study revealed that Molybdenum was available in Velampatti south in an area of 350 metres in length and between a depth of 50-164 metres.

The said quantity of deposits was not adequate to set up an industry, he said, adding GIS had been therefore asked to carry out a detailed survey of available Molybdenum deposits.

GIS had informed the state government that there was a possibility of carrying out such a study in Velampatti north and south areas, he said.

"After receiving a report from GIS, the government, within laid down stipulations, will consider setting up a Molybdenum industry in Dharmapuri district," he said.



Molybdenum is a refractory metal used as alloying agent in steels and cast irons to enhance strength and toughness. Its applications include defence and aeronautical industries.

ISMT, Maharashtra Seamless, Jindal Saw claim seamless pipe industry bleeding due to Chinese dumping

Indian seamless tube makers, ISMT, Maharashtra Seamless BSE -0.17 % and Jindal Saw BSE 0.63 %, have reduced production to a quarter of their capacity and fear closure of units unless the government imposes anti-dumping duty to protect them from the threat from China.

Industry reports revealed that the three major players, which have a combined installed capacity of 1.075 million tonnes a year have seen capacity utilization dropping to 25% from 50% in 2011-12, which makes it difficult for the industry to sustain.

"Chinese exporters have become extremely aggressive in the Indian market and in addition to 'dumping' the Indian market with products at ridiculously low prices, they have been grabbing almost all the large volume project orders from public sector units and private sector projects in the oil and power sectors," Rakesh Duda, executive vice president (corporate), ISMT BSE -6.02 % told ET.

"It is ironical that while the government is aggressively articulating its 'Make in India' plan, its own PSUs are buying material from China at dumped prices and as a consequence strangulating the domestic industry which for the last four decades has served and partnered with the user industry," Duda said. Seamless tubes are primarily used in oil, power, automobiles, mining and construction. According to experts, the per ton capital cost for setting up of a



seamless tube plant is substantially higher than that of steel. Industry executives said that the demand for the product has shrunk dramatically due to the slowdown in industrial capex. The problem is aggravated by the fact that China alone captures 46% of the market as the country offers rates significantly lower than Indian manufacturers.

Indian demand for seamless tubes dropped to 6.31 lac tonnes in 2013-14 from about 8.14 .. lac tonnes in 2011-12. In the same period, Chinese imports increased to 46% from 40%.

Indian makers on an average offer these pipes at Rs 84,000 a ton while Chinese makers are able to sell it at around Rs 25,000 a ton, according to industry data.

The government imposed a safeguard duty of 20% for one year in August 2014, which according to industry executives had no impact on imports as China reduced prices by more than 25% to offset impact.

In a representation to the government, the industry said that the Chinese products are available at "irrational prices", which is even lower than the cost of raw material for Indian manufacturers and almost all PSU tender based orders going to the Chinese manufacturers. They said that this cannot be attributed to efficiency of Chinese producers as most countries have imposed anti-dumping duty on Chinese seamless tubes and so the country is dumping in India. Indian manufacturers said that they are contemplating lay-offs and closure as the current business environment is making them bleed.