



TISCO may come back to Alliance :

Moosa Raza

Moosa Raza – the name that needs no introduction in Indian Steel Sector. A 1960 batch IAS, Mr. Raza has handled a number of top executive posts in several companies. There were two important periods in Indian steel industry when Moosa Raza's name is synonymously taken. Firstly, when he was appointed as Secretary, Ministry of Steel and secondly as the President of Indian Steel Alliance. In both the cases he was successful in creating a cordial link between the government and the steel industry. First time when the steel industry was growing at turtle pace, Mr. Raza fuelled the steel industry and the industry started growing fast. This time also he was assigned to lead the Steel Alliance when the industry was about to face crisis. Indian Steel Alliance is the representative body of Indian steel industry voicing concern of steel producers of the country. A producer which has the steel producing capacity of more than 2 lakh tonnes per year can be a member of Indian Steel Alliance.

Here are the excerpts of his exclusive interview with our editor, D. A. Chandekar.

Generally how is Indian Iron & steel industry doing now? Do you think an estimation of 125 MT by 2020 is realistic ?

Ans. Generally, the Indian steel industry is doing well, though the year 2005 is not going to be as good as 2004. However, looking at the program of Indian economy, a target of 100+ MT by 2020 appears quite reasonable.

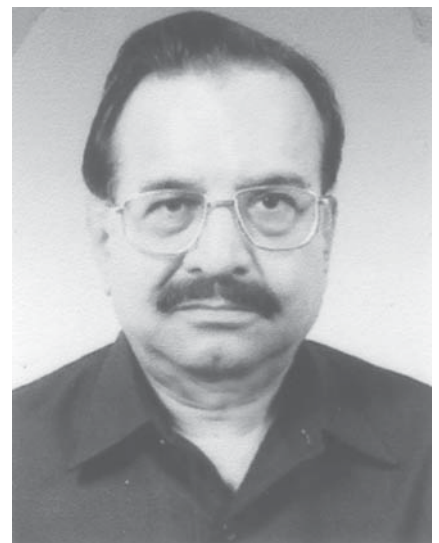
All the steel majors, including your members are implementing big expansion plans. Do you think Indian consumption would rise to cope up with the supply or this expansion is mainly for exports ?

Ans. Indian consumption is estimated by the cognoscenti to go up by 8 % compounded annually. With

the economy poised to grow at the same rate, we will be facing severe shortages in the next 5/10 years if we don't grow. So, the efforts of the steel majors to go in for brownfield expansion is a right step. Of course, Steel industry being cyclical in nature ups and downs are to be expected.

Recently, there was a sudden drop in international prices. This affected the whole supply chain and made a dent on the bottomline of many companies. How can you explain this ?

Ans. Steel industry, as mentioned, is cyclical in nature. Every 3 years or so, a gap develops between supply and demand leading to prices falling and rising. Sometimes, factors like China, with a 23% annual consumption, affect this cycle. Sometimes, global



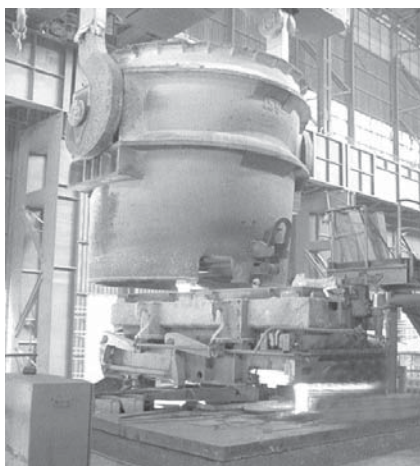
importers build up huge inventories in anticipation of short supplies/high demand. A combination of these factors is playing a spoilsport role currently effecting global prices. This is effecting Indian prices also. One hopes that this is a short term phenomenon and a market corrective.

Many foreign companies are now eyeing on India mainly for its vast mineral resources. They are also talking about investing in large sized steel plants. Will this affect the present balance in India on demand - supply front ? What are your views on this ?

Ans. If foreign companies are coming to India to set up steel capacity, they are welcome and no one should be worried about it. But if they are coming just to exploit our mineral resources, promise to set up industry, get mining leases and then export, every right thinking citizen will oppose it. This is not in the interest of India's economy or future of Steel industry.

Tell us something about 'Indian Steel Alliance', its objectives, policy, activities, membership criteria etc.

Ans. Indian Steel Alliance was set up with the main objective of promoting the use of steel, improve



the abysmally low per capita consumption, help government frame appropriate policies to help the growth of the Steel industry as a whole, and to interact with national and international governments, institutions and organizations to put forward the view point of the Indian Steel industry.

Currently, its members comprise of Steel Authority of India, Rashtriya Ispat Nigam Ltd, Jindal Iron & Steel Co. Ltd, Essar Steel Ltd. and Ispat Industries Ltd. We are hoping that TISCO which went out of the Alliance a few months ago would return to the fold some time or the other.



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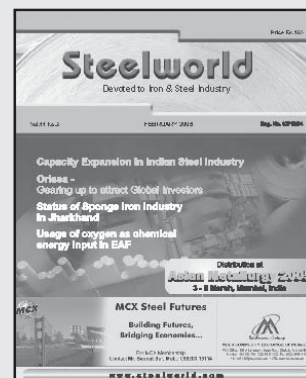
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