

**Indian Steel Sector –
Opportunities for South African
Manganese Industry**

**Lokesh Chandra, IAS
Joint Secretary to Govt. of India
Ministry of Steel**

INDIAN STEEL SECTOR

- The Indian Steel Sector has been witnessing growth in the past few years.
- India is 4th largest producer of steel in the world.
- India is the world's largest producer of Sponge Iron.
- The steel intensive industries such as infrastructure development, construction, automobiles, etc. is poised to rapidly grow.
- These industries have demonstrated huge growth potential for steel in the domestic market.

GLOBAL RANKING OF INDIAN STEEL

(In Million Tonnes)

World Crude Steel Production in 2013

Rank	Country	Production	% Change Y-o-Y
1	China	779.04	8.722
2	Japan	110.57	3.113
3	United States	86.96	-1.962
4	India	81.21	4.709
5	Russia	69.40	-1.454

World crude steel production in 2013 is 1582 million tonnes up by 2.39% when compared to production of 1545 million tonnes in 2012

**SHARE OF INDIAN CRUDE STEEL
PRODUCTION**

(In Million Tonnes)

Year	Public Sector	Private Sector	Total	Share of Private Sector (%)
2008-09	16.37	42.07	58.44	72%
2009-10	16.71	49.13	65.84	75%
2010-11	16.99	53.68	70.67	76%
2011-12	16.48	57.31	73.79	78%
2012-13	16.36	61.53	77.89	79%
2013-14	16.78	64.76	81.54	79.5%

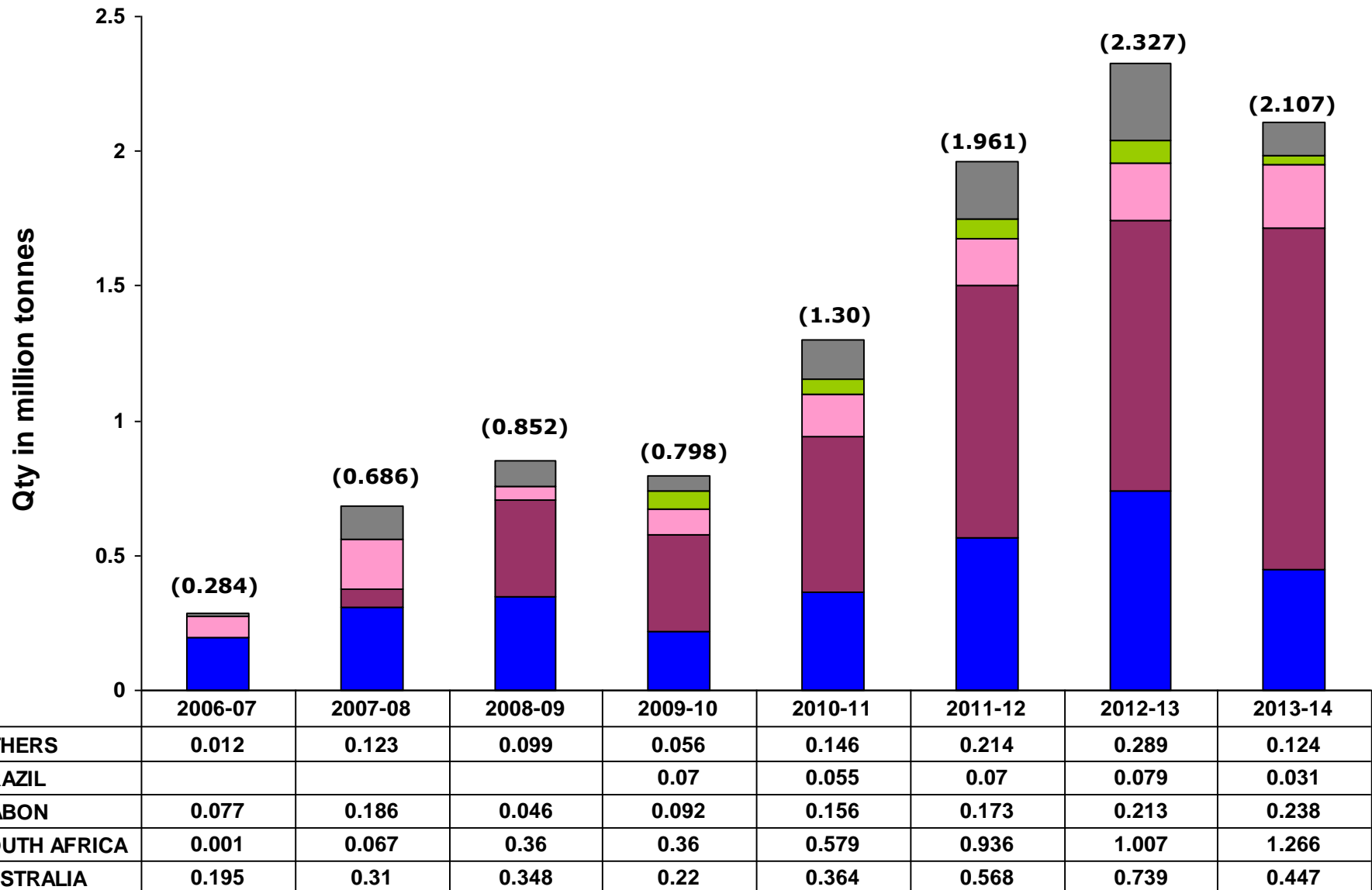
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**PROJECTED STEEL PRODUCTION ENVISAGED BY 2016-17
In million tonnes**

PUBLIC SECTOR PROJECTS	
Steel Authority of India Limited	20.75
Rashtriya Ispat Nigam Ltd. (Vizag Steel)	7.00
NMDC Ltd.	3.00
Total Public Sector	30.75
PRIVATE SECTOR PROJECTS	
TATA	18.00
Jindal Steel Works (JSW) & Jindal Steel Plant Ltd. (JSPL)	23.20
Essar Steel	11.75
Bhushan Steel	6.45
Total Private Sector	59.40
Others	58.85
TOTAL	149.00
<i>Source: Report of the Working Group on Steel Industry for the 12th Five year Plan (2012-2017)</i>	

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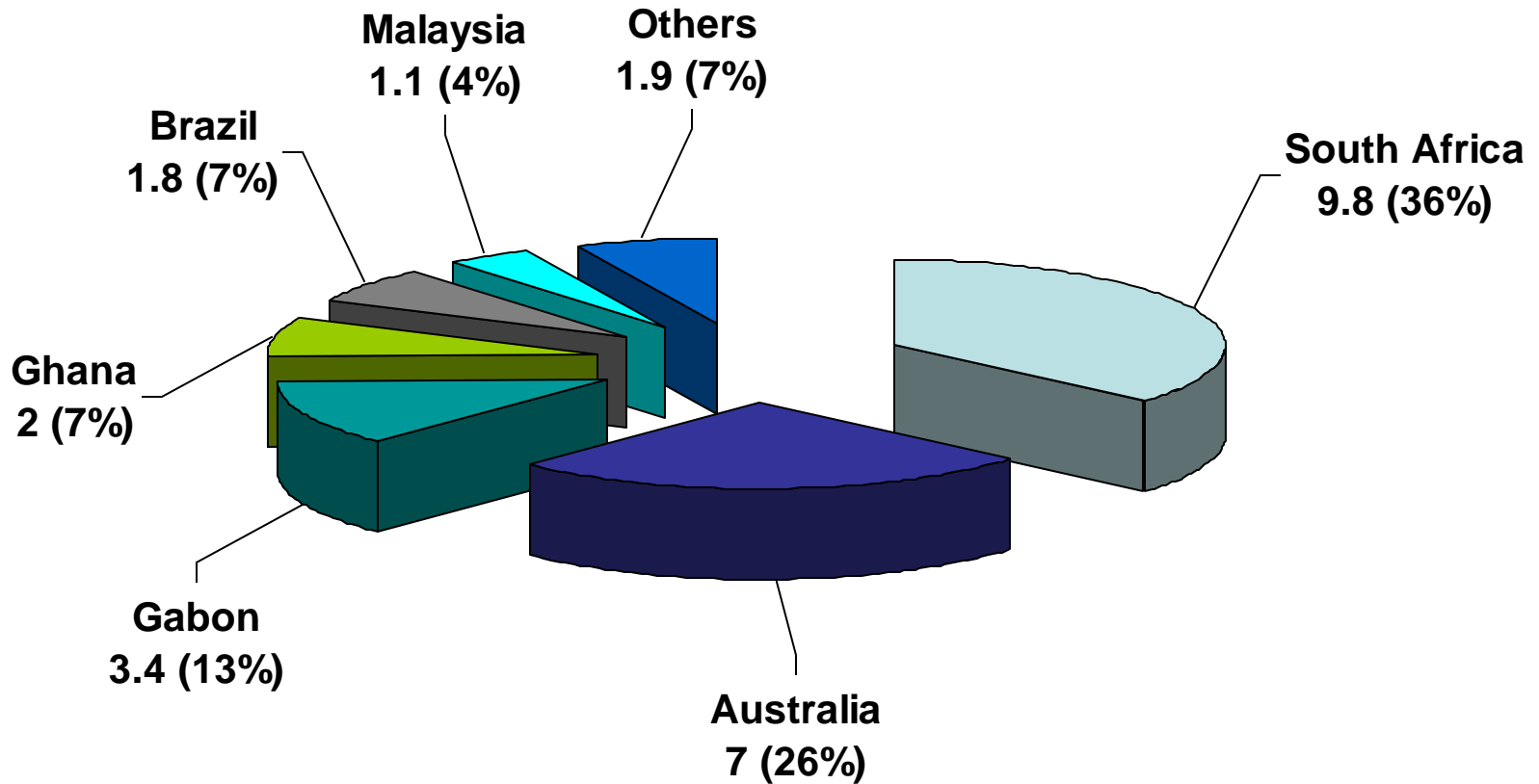
Country-wise Import of Manganese ore in India



For 2013-14 the figure are extrapolated from actual of April 2013 to Dec. 2013

Source : DGFT

EXPORTS OF MANGANESE ORE YEAR 2013



TOTAL EXPORTS WORLDWIDE : 27 MILLION TONNES APPROX.

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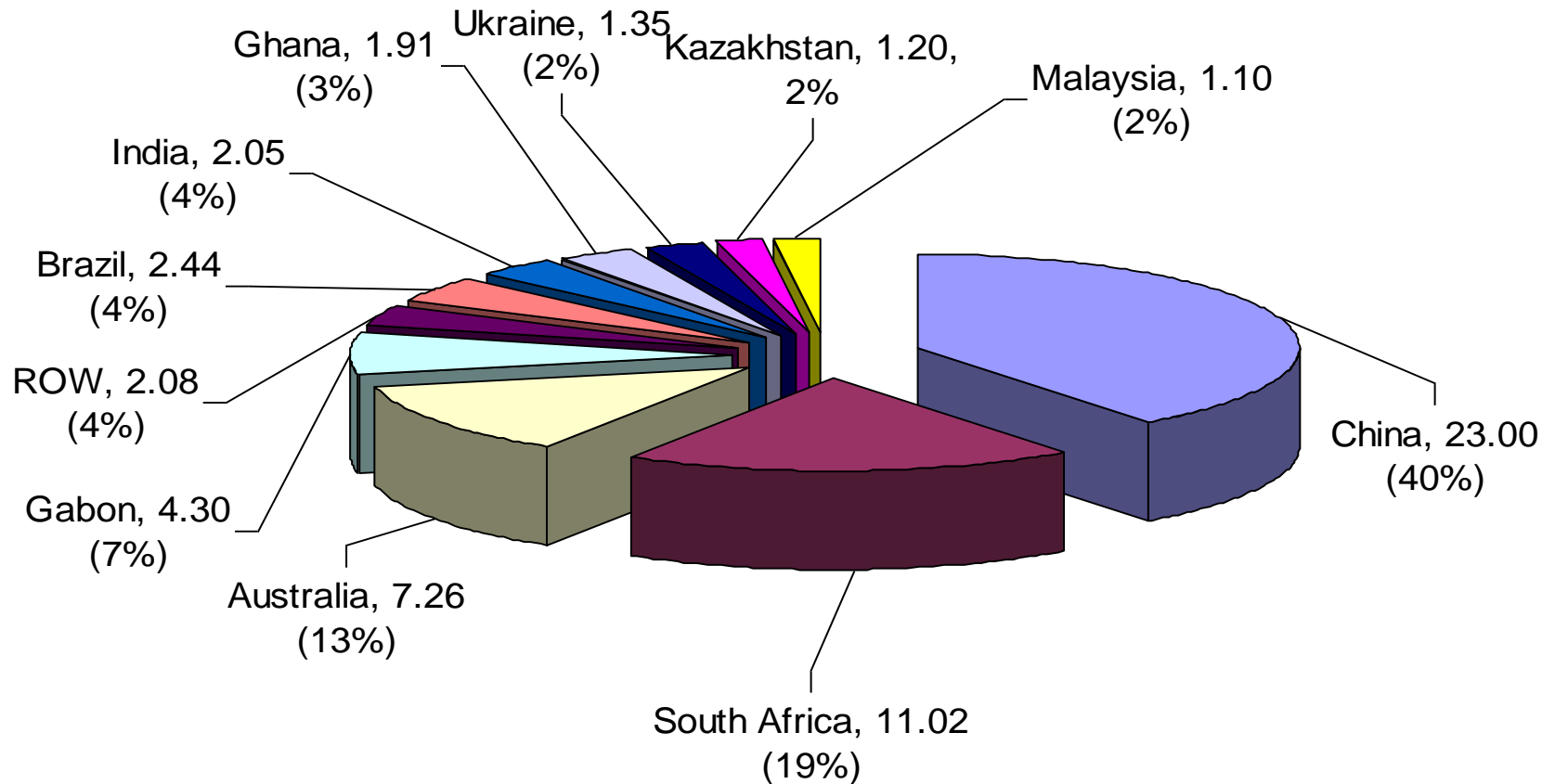
COUNTRYWISE RESOURCES & PRODUCTION OF MANGANESE ORE

Country	Resources Million Tonnes in Mn content		Production	
	Million Tonnes	% Share	Million Tonnes	% Share
Australia	160	3	7.26	13
Brazil	51	1	2.44	4
China	100	2	23	40
Gabon	160	3	4.30	7
India	160	3	2.05	4
Kazakhstan	83	2	1.20	2
South Africa	4000	74	11.02	19
Ukraine	520	9	1.35	2
Others	141	3	5.085	9
Total	5375	100	57.705	100

Source: US Geological Survey/IMnI

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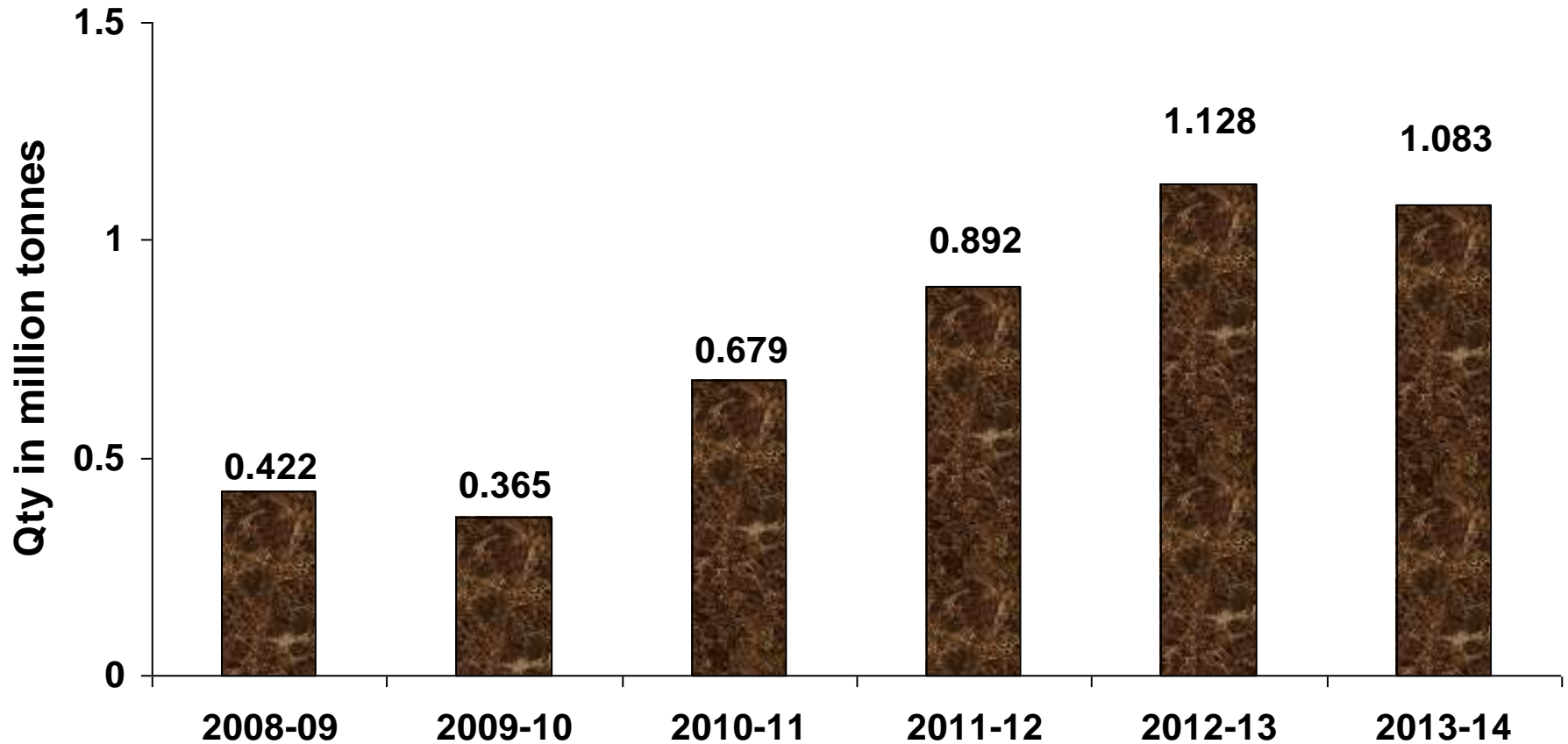
WORLD PRODUCTION OF MANGANESE ORE (YEAR 2013)



Source : IMnI

Qty in Million Tonne
and % share in World Production

Export of Ferroalloys from India (Ferro Manganese / Silico Manganese)



For 2013-14 the figure are extrapolated from actual of April 2013 to Dec. 2013

Source : DGFT

- Given the intrinsic strength of the Indian economy, exhibited in the resilience shown during the global economic crisis post 2008 and the wide range of policy initiatives taken by the government over the recent period, the economy will revert to the high growth path once again.
- This will open up significant opportunities in the steel sector in India as also in the areas related directly or indirectly to it.

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1. With the targeted capacity of 300 million tonnes of crude steel in next 10-15 years, the requirement of manganese ore will be around 10 million tonnes excluding manganese ore requirement for export of ferro alloys.
2. With the anticipated increase in steel production as well higher export of Alloys the gap between the Supply and Demand of Manganese ore will increase, necessitating higher imports.
3. The Average grade of Mn. Ore produced in India is low (Mn 32-33%). This necessitates imports of High grade Mn ore to blend with domestic quality of Mn ore for producing Ferro/Silico Manganese required for steel Industry. Besides above, India is also a major exporter in world for Silico Manganese.
4. The CAGR of import of Manganese Ore in India from South Africa during the last 7 years is 186.45% (from 800 Metric Tonne in 2006-07 to 1.27 Million Tonne in 2013-14). The trend is likely to continue.
5. There is a need for acquiring high/medium grade manganese ore property to supplement the manganese ore requirement. South Africa is a potential destination considering the high quality and quantity of its manganese ore resources.

Thank you

- To ask a question, 2 choices:**
- 1. Raise your hand, or**
 - 2. Mail Alex at imniac@yahoo.com**