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Indian steel demand growth may exceed 12% in 2010

BEIJING
WORLD STEEL CONFERENCE

Indian steel demand could exceed a 12% growth forecast for 2010 if the government moves to push through more infrastructure projects, SK Roongta, chairman of Steel Authority of India Ltd (Sail), said.

"The Indian government have got big plans, but the issue is the gap between the plans and the implementation... The government is alive to the situation and there is recognition of the need for infrastructure projects and they are doing everything possible," Roongta said.

High inflation or increased interest rates may slow down growth in steel demand, but infrastructure and construction are expected to remain the main drivers of steel consumption as more projects move from planning to implementation.

India's steel demand is forecast to rise 8.9% this year to 55.93 million tonnes, a further 12.1% next year, a rate Roongta described as "achievable".

In contrast, China's steel demand is forecast to grow just 5% in 2010, after an estimated 19% growth this year, according to World Steel Assn (Worldsteel).

This is partly because government stimulus projects have already been rolled out in China, Lakshmi Mittal told reporters on Monday.

Unlike in China, where the government can spend money quickly to stimulate domestic demand, infrastructure projects in India require longer periods of planning and approval.

Meanwhile, Roongta said he was not unduly concerned about a return of Chinese exports.

At the Worldsteel conference on Monday, China Iron & Steel Assn honorary chairman Wu Xichun said countries should stop worrying about China's steel exports, which have dropped to less than 4% of its output this year.

"We have accepted what they say about ramping up their production for domestic use, so let's see what happens. We have nothing on the ground now, it's just an apprehension. Let's accept what they say," he said.

Still, Indian mills are braced to drop hot rolled coil prices by at least Rs500 ($11) per tonne this month due to the arrival of cheap imports as a result of China's falling steel market.

"There may be some stray offers here and there and that tends to disturb the market price. But we do not expect there will be large-scale export to India," Roongta said.

Sail is India's largest state-owned steelmaker and currently operates at around 110% of nameplate capacity, down from 116% in the first half of the year, according to Roongta.

LONDON

Gregor Theiser launches ores, alloys trading company Element

Gregor Theiser, formerly head of Noble Resources' ferro-alloys division, has launched his new trading company Element Commodities.

Element will trade a range of ferro-alloys, steel scrap and chrome and manganese ores with the financial backing of Wengfu Intertrade Ltd and its Singapore-based trading subsidiary Graceland Industry.

Theiser, ceo of the new company, left the Hong Kong-based trading house in July (MB Jul 9).

"Element has the capacity to handle substantial volumes of raw materials and invest in assets along the global commodity supply chain," it said.

The company has its headquarters in Hong Kong as well as offices in Shanghai, Kolkata, Vienna, Cape Town, Buffalo, Los Angeles and Bogota, which will be staffed by experienced traders including other members of the Noble ferro-alloys trading team.

Adrian Wall, ceo of Wall Capital Advisors, will act as the company's Latin American md, while ex-Noble traders Basil Starr, Paul Vollant and Atul Govil will join the company once the non-competition clauses in their previous contracts expire.

Starr will be the md of the company's Asia Pacific and CIS business, Vollant will head up the EMEA business and Govil will be in charge of South Asia, Element said.