

ArcelorMittal, SAIL Steel JV to Come Up in Andhra Pradesh

Our Bureau

Hyderabad: The much-awaited joint venture between ArcelorMittal and Steel Authority of India (SAIL) to make high-end steel for automobile industry involving around ₹15,000 crore of investment would come up in Andhra Pradesh, said Union steel minister Chaudhary Birender Singh.

While Gujarat was also considered for this project, the government favoured Andhra Pradesh, given the advantages of east coast, he said, adding that “the JV is yet to be signed,” which could take place in next few days. “I can say that 99% of the formalities are already complete.”

Singh, who was in Hyderabad on Friday to attend the diamond jubilee celebrations of India’s largest iron ore producer NMDC, spoke to journalists on the initiatives of the government to achieve targeted steel production capacities of 300 million tons by 2031. He said India was poised to emerge the world’s second largest steel producer by month-end from third position now, surpassing Japan.

“ArcelorMittal has the technology to make high-end steel for automobile industry and is keen to have joint venture with SAIL,” said Singh, adding that there were offers from Gujarat and Andhra Pradesh to host the facility. “Keeping in view the eastern coast, it was thought that this (Andhra Pradesh) would be a better site for the putting up that JV plant.”

The joint venture for high-end steel will have an initial annual manufacturing capacity of 1.5 million tons, involving around ₹15,000 crore of investment, the minister said.

“Still so many details have to be worked out,” on the ArcelorMittal-SAIL joint venture, said the minister, adding that it would help India to emerge as the global car manufacturing hub accounting for of 28% of global car production capacity over the next three-four years.

Further, the minister said the state-owned MOIL is working on lithium ion based batteries for the electric cars to be manufactured in the country.

Scrap-based steel project in Telangana’s Palvancha:

Further, the minister said the government was also considering an electric arc furnace based steel project using scrap at Palvancha in Khammam district of Telangana in the premise of the closed down sponge iron facility with over 450 acres. While the closed down sponge iron facility had a capacity of 0.6 million tons, the proposed scrap-based steel manufacturing facility will have a capacity of 1.5 million tons, the minister said.

Saying that the details of the project are still being worked out, Singh said the government was considering various options including public-private-partnership, central-state or private for implementing the project. However, he refused to divulge details on the investments involved and timeframe.

Further, the minister said the steel ministry appointed task force to study the feasibility of two integrated steel facilities promised for Andhra Pradesh and Telangana under state bifurcation Act would submit its report shortly. Earlier, the committees by SAIL and a private consultant had found these steel projects economically unviable owing to low quality and quantity of iron ore reserves in Kadapa of Andhra Pradesh and Bayyaram of Telangana.