
Budget update - Ferroalloys makers seeks support for survival

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BS reported that faced with huge decline in orders from domestic as well as international markets due to the global financial meltdown, the INR 8,500 crore Indian ferroalloys industry has sought government intervention to protect the industry from cheap imports.

The Indian Ferro Alloys Producers' Association has demanded from the government to restore basic customs duty on imports of ferroalloys excluding ferronickel for which the country is fully reliant on imports, to 10% as it was three years ago. From the levels of 10% in 2005-06, the customs duty was reduced to nil in phases last year.

The association, in its pre budget recommendation to the government, argued that this man power intensive industry has been severely hit by global financial meltdown as consumer industry's demand has declined dramatically. This has resulted into a spurt in stockpiling. This has lead to a reduction in production and huge unemployment. The situation has worsened by the declining prices globally as well as in the domestic markets.

The industry, till last year, was working around 70% of its production capacity. But, owing to the economic recession, the capacity utilization has declined by 30% to 40%. On the other hand India's imports of ferroalloys have witnessed a phenomenal increase to INR 1,089.45 crore during financial year 2007-08 as against INR 779.82 crore during the previous year. However, total arrival on domestic port was recorded at INR 815.39 crore during the first half of the financial year 2008-09.

(Sourced from Business Standard)

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