
Our focus on smaller towns is paying off - Mr Roongta chairman SAIL

Sunday, 11 Oct, 2009

Source - Business Standard
October 2009

In the three and a half years that Mr SK Roongta has been at the helm of state owned Steel Authority of India as its chairman, the steel sector has seen it all Announcements of mega investments, projects getting stuck, sharp swings in prices and the government last year taking the unusual step of trying to talk down steel prices when inflation was zooming.

SAIL having rationalized its manpower, has embarked on a plan to nearly double its capacity. In his large, wood paneled office from which one can see nearly half of New Delhi, Mr Roongta looks in control. The memories of his elevation to the post of chairman, which almost got caught in political wrangling before his clean record clinched the issue, have faded.

Mr SK Roongta in a conversation with Mr Suveen K Sinha and Mr Ajay Modi of Business Standard chose to look ahead.

Q - How have SAIL and the steel sector changed since you became chairman?

A - Things are good. Everyone has realized that the steel sector is crucial for the economy and infrastructure. During the first half of 2008, both raw material and finished steel prices went through the roof due to a global upsurge in demand. While finished steel prices touched a new peak of USD 1,400 a tonne, the prices of raw materials such as coking coal touched a high of USD 300 a tonne. However a dramatic collapse in prices took place in October last year. The rise in prices was too rapid and even though companies were making good profits, it was not a healthy situation. The sudden price rise induced speculative element in trade and encouraged hoarding. After a depressing period of three to four months, we are seeing very good growth. Companies have announced large investment plans and some investments are already taking place. Demand has been high ever since China started buying in a big way.

To read the full transcript, please visit

http://www.steelguru.com/interview/detail/10/Our_focus_on_smaller_towns_is_paying_off.html

(Sourced from BS)

For more news visit at www.steelguru.com