
Update on sponge iron industry in Orissa

Friday, 03 Sep, 2010

Orissa is the largest producer of sponge iron in the country, but it seems that the state has no clear cut vision for the sector, which employs more than 40,000 people and contributes INR 11 billion annually to the state exchequer.

While the state government busy in spending all its time, energy and resources for the mega projects, the sponge iron industry remains ignored.

The Orissa sponge iron industries accused that due to the faulty policy of the central and state government they are suffering substantial financial losses.

On the other side the environmentalists also accuses that this industry is one of the biggest pollutants but the state government is remain silent.

There are 104 working coal based sponge iron plants in the state with an installed capacity of 11.5 million tonne per annum. But currently the industry is utilizing only 50 % of its capacity due non availability of basic raw materials like iron ore and coal.

In 2009-10, Orissa produced only 6 million tones of sponge iron. The Orissa Sponge Iron Manufacturers Association alleged that the faulty policy of both the central and the state government is responsible for this.

Mr Pradipta Mohanty chairman of OSIMA said that “No Sponge iron plant has got mining lease nor has any modality been worked out by the government to ensure linkage of iron ore for such plants, which have gone into production. It has resulted in financial losses for the plants and they are likely to become sick, if no remedial measures are taken for their survival by the government.”

He further added that “Though Orissa has abundant reserves of Coal the local sponge iron plants do not get more than 50% of their requirement from MCL at linkage price, the price fixed by the union coal ministry.”

Also in this channel they get only the lower grade coal (F-grade).For the remaining 50% coal requirement they have to depend upon the high priced open market.”

Mr SS Bhatnagar executive director of the Sponge Iron Manufacturers Association of India informed that the industry association will very soon present a proposal before the state government with an aim to solve the problems.

Responding to the demands and allegations of the industry state steel, mines and industry minister Mr Raghunath Mohanty said that all possible steps will be taken after getting the proposal from the Association.

On the other hand Environmentalists complain that the government has failed to control the polluting sponge Iron Industries. According to the state pollution Control Board the sponge iron plants are categorized under red categories3 industries, which mean they have higher pollution potentials and cause serious health hazards. During operation it emits huge quantity of smoke containing oxides of sulphur and carbon, un born carbon & silica particles.

Similarly, the processes also release extreme heat. The dust problem becomes aggravate when the ESP is not operated. Due to lack of proper/stringent monitoring mechanism, the plant owners seldom use this instrument thus leading to air pollution. Hence, there is an urgent need to form a policy which mandates the use of green and clean technologies.

(Sourced from www.breakingnewsonline.net)

For more news visit at www.steelguru.com