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## **Indian ferrochrome sector benefiting from power crisis in SA**

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BL reported that inadequate availability of electricity in South Africa, which has 80% of the world's chrome ore reserves and accounts for 45% to 50% of the global market for ferrochrome, has provided Indian ferrochrome exporters with an opportunity to grab a larger share of the global market for ferrochrome.

With hardly any capacity addition its power sector in the last 7 years to 8 years, the power situation in South Africa has deteriorated. The problem has been compounded by an increase in the demand for power from both the industry and the household sectors. Ferrochrome industry is highly power intensive and any abnormality in power supply adversely impacts it.

The report quoted an industry sources as saying that "South Africa has always been regarded as a stable and reliable supplier of ferrochrome. However, given the present power situation in South Africa, consumers of South African ferrochrome are now a little apprehensive on this score, especially as the next major power capacity there is likely to go on stream only by 2010-11. As such, large global buyers are looking to diversify their sourcing base."

As per report, the global ferrochrome market has been pegged at 5.5 million tonnes. India produces 800,000 tonnes of ferrochrome annually, out of which almost 500,000 tonnes are exported to countries in the Far East, Japan, Korea, China and Taiwan and a small quantity is also exported to the US and Europe.

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