

## **"Energy Efficiency in Steel Secondary Steel sector"**

### **Speech of Mr. Virbhadra Singh, Hon'ble Union Minister for Steel**

Steel sector in India is on a fast track growth with demand for steel growing at nearly 10% rate per year. New production capacities are being added, both in large scale integrated steel plants as well as small and medium plants to generate the additional steel required to meet the growing demand. In this context secondary steel sector plays a very crucial role in meeting the need of the small consumers in supplying a wide varieties of steel. The secondary steel producers, particularly the steel rolling mills are spread all over the country, meeting the local demands of consumer steel products. Steel Rolling Mills started coming up in clusters, mostly in Punjab in the 1960s, catering to the growing needs of the real estate growth in the North. Gradually, these unit got spread all over the country and now, there are rolling mills all over the nooks and corners of the country, be it the hills of North Eastern States or planes of Kerala.

Way back in the 60s and 70s, the primary focus of industrial development in India focused on production and profits. Energy efficiency, quality and productivity never had any importance until people realized that India has one of the highest energy consumption per tonnes of steel production, in comparison to the average world standards. Environmental protection by way of Carbon emission reduction gained worldwide importance on account of the concerns for global warming. India is now on the forefront of the International Action plan on reduction of greenhouse gases. As on our part, we are committed to environmental up gradation of steel sector through all direct and indirect means. The current project which we have undertaken with UNDP assistance explains one of our many commitments towards this cause. We have also asked all the steel public sector companies to set energy efficiency and emission reduction, as one of Key parameters in their modernization and capacity expansion programmers.

United Nations Development Programme (UNDP) assists the Governments through a range of technical assistance programmes to provide inputs to national policies and strategies for promoting environmentally sustainable solutions.

These programmes include cleans technology demonstration, supporting the development of strategies and action plans and strengthening of national and regional institutions. I am glad to note that, UNDP has extended its support in the steel sector in the area of clean energy technology promotion. The first such project in the Steel Rerolling Mills sector has already progressed well and this conference has been organized by FICCI, in association with UNDP for promoting awareness on the achievements made so far and the way ahead for implementation of the energy efficiency in other secondary steel sectors.

As I know, the secondary steel sector serves a very useful purpose in the context of India. As large integrated steel units take considerable time and huge resources for being set up, the gap between the demand and supply is bridged by the secondary steel sector. These units have small and medium industrial configurations and these require relatively lesser time and lower resources. Further, these units can be located at the consuming centres, thereby swiftly catering to the needs of the millions of smaller consumers in making available the required products. As a matter of policy, Government of India has always supported the small and medium industries through various fiscal and non-fiscal measures.

The project jointly sponsored by UNDP and Ministry of Steel not only aims at energy efficiency but also aims at a whole hearted benefit for the secondary steel sector. The other objective areas of the project are, quality improvement, work reduction, improvement in level of awareness, training of the technical personnel and supporting the industry towards efficiency, productivity and profitability. I am sure that, the experience gained from the re-rolling mills sector would be further extended to other secondary steel sector. The guidance and knowledge support of UNDP further makes all such projects valuable.

I would encourage a better and more enthusiastic participation of the industry in the present as well as all the future ventures. We would further work and plan out with UNDP on more such projects. Necessary financial assistance from Government would also be gladly made available.

I will take this opportunity in requesting industry to come up with more research based projects in the integrated steel sector and large scale steel plants. During the eleventh five year plan, we have allocated nearly Rs.118 crore on promotion of research and development activities in steel sector, particularly, for the integrated steel plants and raw materials sector. These projects serve as broadway for encouraging and enhancing further research. Indian steel industry should come up on its own in developing technology of world standards. Since India is becoming the fastest growing steel producing and consuming country in the world, time has now come for developing world class steel technology in India and exporting it to other countries. On the part of the Government, I would assure all help. Your views and suggestions in this regard are welcome.

Finally, I must congratulate FICCI for taking lead and organizing path breaking conferences and workshops in various aspects of the steel sector.

Thank you,