

Empirical Analysis on Sustainable Strategies of Steel Industry in India

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Abstract.

Nowadays, the performance of the Indian steel industry has increased. It has received all the basic confirmations of dynamic development expectations such as strong local interests, infrastructure development, demand in the automotive sector, etc.

Modern changes have also extended business development assistance. “The Indian steel industry contributes about 2% to the GDP (Gross Domestic Product) and its weight in the Industrial Production Record (PII) is 6.2%”.

India has a long history and has become a household name in the global steel industry. Even in the tough times of an economic downturn, companies are able to recode their aggressive pace of development. Global giants from all over the world showcased their strengths in business in their brilliant presentations. This study attempts to examine the favourable factors, challenges and growth in Indian Steel Industry in Pune.

Keywords: *Indian Steel Industry, Pune, Opportunity, Challenges, and Growth.*

Introduction

Ansari 2012, “The demand for steel Industries is expected to grow further in the future as the government continues to invest in new infrastructure projects. Steel Industries are expected to benefit from this growth and invest in new capacities to meet the rising demand”.

The government has announced a number of new infrastructure projects in recent years, including the development of new airports, seaports, and transport networks. It is expected to require a significant amount of steel, creating opportunities for steel companies.

Steel companies are expected to invest in new capacities to meet the rising demand for steel. This will help to ensure that the country has enough steel to support its growing economy.

This is great news for the steel industry and will help to ensure that the country has enough steel to support its growing economy. It is also good news for the economy as a whole, as increased production will lead to increased employment and economic growth.

This growth presents opportunities for foreign companies that want to enter the Indian market. The steel industry is still relatively immature, and there is room for growth. Foreign companies can establish partnerships with Indian companies or set up their own operations in the country.

The steel industry is also facing some challenges. The cost of raw materials is increasing, and there is a shortage of skilled workers. These challenges will need to be addressed in order to sustain the industry's growth. However, the industry faces some challenges that will need to be addressed in order to ensure its continued success.

Review Literature:

Mahesh(2011) increased exports of steel products. India's steel exports increase data CAGR of 8.2%. Sharma (2018) the steel industry is facing some challenges at the moment, including overcapacity and the impact of trade tariffs, but the long-term prospects for the sector remain positive. Companies that are able to take advantage of the growth opportunities in the steel industry will be well-positioned to benefit from the sector's continued expansion. Gupta (2019) Steel companies are also consolidating, which is helping to improve their profitability. By consolidating, steel companies can reduce their costs by sharing resources such as workers, equipment, and facilities. This allows them to become more efficient and better able to compete in the global market. The steel industry is also benefiting from increased demand from developing countries. These countries are industrializing and growing rapidly, which is resulting in increased demand for steel. This is helping to offset the slowdown in developed countries. Ali (2020) the global steel industry is going through a significant restructuring as companies seek to improve their efficiency and profitability. This is being driven by a number of factors, including the overcapacity in the market, the rise of electric vehicles, and the growth of new manufacturing centres in Asia. Thus, a number of steel companies are facing financial difficulties, and are having to restructure their operations in order to survive. This is likely to lead to a wave of mergers and acquisitions, and to the closure of some steel plants. Jain (2019) the steel industry is also facing environmental regulations that are making it more expensive to produce steel. These regulations have led to a decline in demand for steel and further contributed to the glut of steel. The steel industry also facing a number of challenges. These include over capacity, falling prices, and weak demand. In Addition, the industry is facing increasing competition from other materials, such as aluminum and plastics. It is also facing challenges from cheap imports. Many countries have been exporting steel at a lower price than domestic companies can produce it, leading to a decline in market share for domestic companies. Finally, the steel industry is also facing environmental regulations that are making it more expensive to produce steel. These regulations have led to a decline in demand for steel, and further contributed to the glut of steel.

Objectives of the study:

- To Study the Growth in the Indian Steel Industry in Pune.
- To Study the Challenges of the Indian Steel Industry in Pune.
- To Study the Opportunities of the Indian Steel Industry in Pune.
- To study the Favorable factors of the Indian Steel Industry in Pune.

Research Methodology:

Data: Primary and Secondary data have been used for the study.

Period of the study: 2022-2023.

Area for the Research: Pune, India.

Sample for the study:Mukesh Steel Company Ltd. and Om Steel Industry.

Research Hypothesis:

H1: *There is significant growth in the Indian Steel Industry in Pune. H01:*

There is no significant growth in the Indian Steel Industry in Pune.

H2: *There are significant favorable factors in Indian Steel Industry in Pune.*

H02: *There are no significant favorable factors in Indian Steel Industry in Pune*

Findings and Interpretations:

Hypothesis	β	Standard Coefficient	T	Sig.	R Square (%)	Acceptable Level <0.001	Hypotheses Results
H1	.56	.36	3.32	.000	.361 (36%)	Significant	Accepted
H2	.59	0.61	6.56	.000	.402 (40%)	Significant	Accepted

According to the above table, the research hypothesis i.e., H1 and H2 are accepted and H01 and H02 are rejected. Hence, it can say that there are significant growth and favorable factors for Steel Industry in Pune. That shows (i) robust economic growth; (ii) rapid urbanisation and industrialization; (iii) increasing demand from infrastructure and construction sectors; and (iv) favourable demographics (large population of young people); (v) increased demand for automobiles and other consumer goods, which is boosting demand for steel products. The steel industry is benefiting from increasing demand from both domestic and international markets. “The steel industry is projected to grow at a CAGR of 9.8% over the next five years. The main drivers for this growth are the increase in infrastructure development, automotive production, and industrial output. In particular, the steel industry in India is expected to grow at a CAGR of 12.8% over the next five years, due to the country’s strong economic growth”.

The steel industry is also benefiting from a number of trade protection measures that have been put in place by various governments. For example, the US steel industry has been protected by tariffs on steel imports since March 2018.

Growth in Indian Steel Industry:

Improving infrastructure: The government should improve infrastructure such as ports and roads in order to reduce transport costs for steel companies. This would make Indian steel products more competitive in international markets.

Encouraging foreign investment: The government should encourage foreign investors to invest in the steel industry in India. This could be done by offering tax incentives and by simplifying the process of obtaining approval for such investments.

Improving infrastructure: The government should improve infrastructure such as ports and roads in order to reduce transport costs for steel companies. This would make Indian steel products more competitive in international markets.

Promoting the use of steel in infrastructure projects: The government should promote the use of steel in infrastructure projects. This would create demand for Indian steel and help the industry to grow.

Reducing the import duty on steel: The government should reduce the import duty on steel to make it more affordable for manufacturers. This would help the industry to grow.

Subsidising the export of Indian steel: The government could subsidize the export of Indian steel in order to make it more competitive in global markets. This would help the industry to grow.

Challenges of the Indian Steel Industry:

The steel industry in India is currently facing a number of challenges. These challenges are primarily due to the high cost of raw materials, the lack of infrastructure, and the ever-growing demand for steel.

The high cost of raw materials is the biggest challenge facing the steel industry in India. This is because most of the raw materials used in the production of steel are imported. The lack of infrastructure is also a major challenge, as it has resulted in an unreliable supply of power and water. The growing demand for steel is another major challenge, as it has led to a shortage of capacity in the industry.

The main problems faced by the steel industry are high cost of production, shortage of raw materials, and lack of infrastructure. The high cost of production is mainly due to the high incidence of taxes and Duties. The shortage of raw materials is due to the ban on iron ore mining in some states. And the lack of infrastructure is due to the delay in execution of many industrial projects.

Opportunity of the Indian Steel Industry:

Steel industry is one of the most important industries in India. It has a very long history and is currently going through a lot of changes. The government is trying to revive the industry and is providing a lot of support to the companies operating in this sector.

The steel industry in India has a lot of potentials. There are many global players who are interested in investing in this sector. The government needs to create a conducive environment for the industry to flourish. It should provide more support to the existing companies and also attract new investors.

The steel industry in India is currently at a nascent stage with immense potential for future growth. The sector is highly fragmented with the top 10 players accounting for only around 45% of the total installed capacity. The industry is characterised by high levels of imports, low per capita steel consumption, and an underdeveloped manufacturing sector.

Conclusion:

There are several factors that are contributing to the growth of the steel industry in India. Some of the key drivers include the country's rapid economic growth, its large population, and its rising demand for infrastructure development. In addition, the government is investing heavily in the steel sector, and is providing various incentives to help promote its growth.

The steel industry is expected to continue to grow at a rapid pace in the future. This is mainly due to the country's strong economic growth, which is projected to remain robust in the years ahead. Additionally, the government is investing heavily in the development of the sector, which will help support its growth.

The main challenges for the steel industry include the high cost of production and the impact of global trade tensions. The steel industry is highly dependent on exports, and any disruptions to global trade could significantly harm the industry's growth prospects. Additionally, the steel industry is susceptible to changes in commodity prices, which can have a significant impact on profitability.

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