

SHRI DHARMENDRA PRADHAN TO LAUNCH 'PURVODAYA' : ACCELERATED DEVELOPMENT OF EASTERN INDIA THROUGH AN INTEGRATED STEEL HUB

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Ministry of Steel

Shri Dharmendra Pradhan to launch 'Purvodaya' : Accelerated development of Eastern India through an Integrated Steel Hub

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Ministry of steel in partnership with CII and JPC is organising the launch of Purvodaya-Accelerated Development of Eastern Region through an Integrated Steel hub, in line with Prime Minister's Vision for focused development of the Eastern States. Shri Dharmendra Pradhan, Minister for Petroleum & Natural Gas and Steel will launch the Purvodaya on 11th January 2020 at The Oberoi Grand Kolkata. Prime Minister Shri Narendra Modi has highlighted the need for focused development of the Eastern states in order to unleash their untapped potential thereby ensuring the growth of the region as a whole and the country at large.

Creation of such a world-class steel hub would significantly contribute to Purvodaya by propelling socio-economic development in the Eastern region. Steel capacity addition as envisioned in the hub would entail capital investments of >70 Bn. \$ and lead to an incremental GSDP of >35 Bn. \$ through steel alone. Growth of steel industry through such a hub would lead to significant employment opportunities across the entire value chain, creating over 2.5 Million jobs in the region. Creation of world-class logistics and utilities infrastructure would also spur development of other manufacturing industries across sectors. This would also be accompanied by social infrastructure in the form of cities, schools, hospitals, skilling centres etc. Such development, especially in the most under-developed regions in these states, will play a significant role in overall socio-economic growth of Eastern India, thus reducing the disparity between the East and other regions of the country.

Background

The Eastern region of India, though extremely rich in resources, lags behind other states in terms of development. Eastern states of India (Odisha, Jharkhand, Chhattisgarh, West Bengal and Northern Andhra Pradesh) collectively hold ~80% of the country's iron ore, ~100% of coking coal and significant portion of chromite, bauxite and dolomite reserves. In addition to its rich mineral reserves, these states also have a significant locational advantage. There is a presence of major ports such as Paradip, Haldia, Vizag, Kolkata etc. with >30% of India's major port capacity, 3 major National Waterways as well as strong road, rail connectivity to most parts of the country. Despite these advantages, these states are currently behind many other Indian

states in terms of economic and development indicators such as GSDP per capita and Human Development Index (HDI).

In India's march towards a \$5 trillion economy, the 5 Eastern states can play a major role where steel sector can become the catalyst. The presence of natural resources, coupled with an already established steel industry, presents an excellent opportunity for Eastern India to spearhead the expected growth in the domestic steel industry, the region at large and the country as a whole. This Eastern belt has the potential to add more than 75% of the country's incremental steel capacity envisioned by the National Steel Policy. It is expected that out of the 300 MT capacity by 2030-31, over 200 MT can come from this region alone, driven by Industry 4.0. Rs.100 lakh crore infrastructure investment announced by the Government in the next 5 years will result in additional boost to construction and infrastructure through various initiatives such as Pradhan Mantri Awas Yojana, Jal Jeevan Mission, Sagarmala, Bharatmala, etc. Steel industry has a multiplier effect in the GDP as well as in employment. These States would march ahead on the development index because of which the Ministry of Steel has envisioned an Integrated Steel Hub in this region, which will serve as a catalyst in the transformation of Eastern India by developing a vibrant steel industry.

Integrated Steel Hub

The proposed Integrated Steel Hub, encompassing Odisha, Jharkhand, Chhattisgarh, West Bengal and Northern Andhra Pradesh, would serve as a torchbearer for socio-economic growth of Eastern India.

The objective of this hub would be to enable swift capacity addition and improve overall competitiveness of steel producers both in terms of cost and quality. In addition to increased steel capacity, this hub would also help enhance best-in-class value addition capabilities. The Integrated Steel Hub would focus on 3 key elements:

1. Capacity addition through easing the setup of greenfield steel plants
2. Development of steel clusters near integrated steel plants as well as demand centres
3. Transformation of logistics and utilities infrastructure which would change the socio-economic landscape in the East

These elements would be supported through additional enablers such as ensured availability of raw materials, presence of supporting industries such as capital goods and well-established avenues for skill development.

Steps Taken by Ministry of Steel

Various steps to make this hub a reality are already being taken by the Ministry. The Central Ministries, the State Governments and Private Players across the spectrum are allied to the cause of Purvodaya. The following actions have already been initiated by the Ministry of Steel, in co-ordination with the various stakeholders:

1. A policy facilitating the creation and upgradation of steel clusters has been put up after due consultation with Central Ministries, State Governments and

industry. Kalinganagar and Bokaro have been identified as pilot locations for steel clusters around ISPs. Task Forces and Working Groups, with the support of the respective State Governments, have been created. Detailed planning for operationalization of these clusters is currently underway.

2. In an effort to ease capacity addition through greenfield route, a framework policy is being created to address the challenges faced in land acquisition, raw material linkage and obtaining

This being done in consultation with Central Government Ministries, State Governments and industry stakeholders.

3. Critical logistics and infrastructure projects are being identified for expedition across the 12 major steel zones identified in the region (Kalinganagar, Angul, Rourkela, J h a r s u g u d a , N a g a r n a r , B h i l a i , R a i p u r , Jamshedpur, Bokaro, Durgapur, Kolkata, Vizag). These include major rail, road and port capacity expansion projects to debottleneck existing capacity and create world-class multimodal logistics infrastructure across these zones.

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