

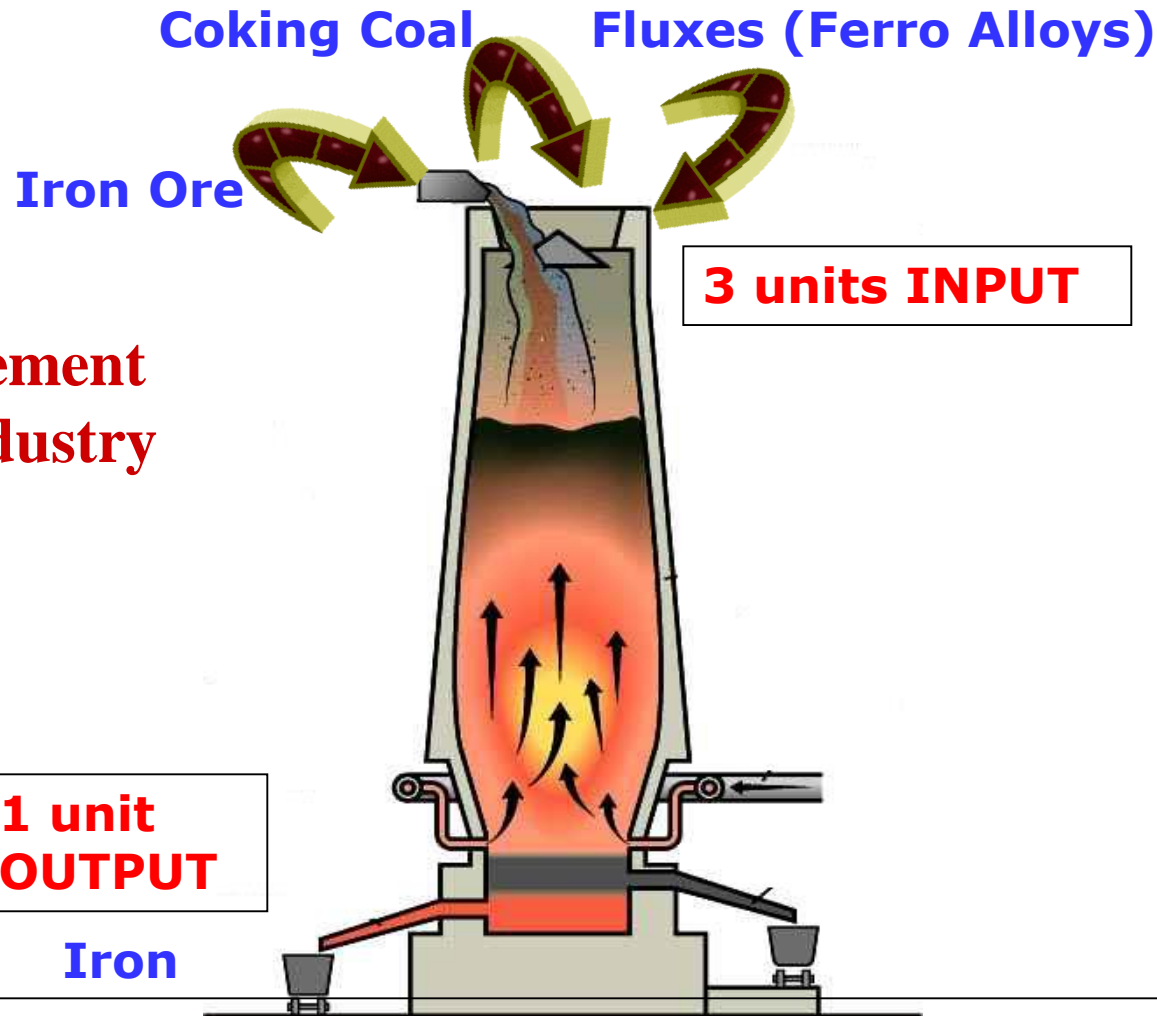
Smart Logistics Summit

**Organised by Maritime Gateway
on 19th June, 2018 at Bhubaneswar**

“Diversified Cargo : Capacity Constraints and Way Forward for Odisha”

**L N Mallik
ED (Transport & Shipping) SAIL**

Scale of Logistics movement in Steel Industry



Cargo Movement For Steel Industry

- Coking coal consumption: 1:1, Iron Ore: 1:1.63, Flux: 0.4,

National Steel Policy 2017

- With a vision to create a technologically advanced and globally competitive steel industry that promotes economic growth, the GoI has formulated the National Steel Policy 2017.
- Aspires to achieve 300 MT of steel making capacity, 255 MT steel production by 2030, translating into additional investment of Rs.10 lakh crore.
- Seeks to increase consumption of steel in major segments like infrastructure, automobiles, and housing, per capita steel consumption from existing level of around 61 kg to 160 kg by 2030.
- The policy has extensively dealt with almost all areas like steel demand, capacity, raw materials, technological efficiency, product quality, value addition, focus on high end research, infrastructure and logistics.

National Steel Policy 2017

Infrastructure & Logistics:

- Adequate and timely infrastructure growth in the eastern states where bulk capacity addition is likely to come up.
- Development of evacuation infrastructure to minimize turnaround time as well as to build necessary linkages to reduce length of haulage.
- Alternative modes of transportation of raw materials such as slurry pipelines and conveyors.
- Promotion of transportation of raw materials and finished goods through inland waterways and coastal shipping.
- Port-laid development of steel clusters under the aegis of Sagarmala Programme.
- Strengthening of Port infrastructure.

Logistics Infrastructure for Steel Industry in India

- Major dependence on Indian Railway as most of the plants are located in hinter land.
- Sole dependency on Railways for bulk Raw materials like iron ore, Coal, flux.
- Presently, around 50-60% of the domestically produced steel moves by rail.
- Coastal movement in India is not well developed.
- Bottlenecks in storage and evacuation of cargo from the ports and plants.
- Inland waterways in a nascent stage.

SAIL – A Maharatna Company



- Largest steel manufacturing company in India with 21 MT capacity
- Capacity to increase to 50 MMT by 2030 in phases
- Extensive marketing net work and dealer outlet in all 600 districts in India
- Producer of the widest spectrum of steel products in the country
- Turn over 2017-18: 59,381 Crore

SAIL Vision 2030 : Traffic Envisaged

Transportation requirement of SAIL 5 ISPs

(Unit: Million Tonnes)

Detail	2017-18	2030-31
H.M.Production	16	52.5
Coking Coal	16.3	47
Boiler Coal	4.1	24
Iron Ore	26.5	87
Flux	7.35	23
Total Inward	54.3	233

Outward Despatch	12.7	42
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Total Rail Traffic	67	275
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All expansion at existing SAIL 5 ISPs location

Expectation of Steel Industry & Way Forward

- India will have strong steel demand in coming years and Steel making capacity to grow manifold
- Odisha has potential to produce 100 MT of steel out of 300 MT envisaged in NSP by 2030.
- Mineral-rich Odisha, aspiring to become a manufacturing hub in India with downstream metal industries, will have an incremental steel capacity of 56 million tonnes per annum (MTPA) in the next few years, taking its overall production level to more than 100 MTPA by 2030 from the present installed capacity of about 33 MTPA.
- GoI is keen to develop Kalinganagar as a major steel hub.
- Capacity of Rourkela Steel Plant will be doubled to 8.2 MT in next five years from the present strength of 4 MT.

■ **Ports:**

- Augmentation of Ports Capacity : Berths, Handling, Storage, Evacuation.
- Port connectivity - Each Major port & Non Major Ports should have last mile connectivity.

■ **Rail & Road:**

- Availability of Railway rakes for seamless evacuation
- Last mile connectivity
- Track doubling, Port connectivity and Dedicated freight corridor for Raw materials
- Development of Road Infrastructure

- **Coastal Movement:**

- Integration of Coastal and Inland waterways to create single window solution and improve hinterland connectivity
 - Possibility of diversion of domestic cargo from land modes
 - Development of NW5 lies close to Talcher-Paradip region which is abundant in resources for evacuation of different commodities including thermal coal, coking coal and iron-ore.
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- **Multimodal transportation** to be strengthened

“Leaders win through logistics.

Vision, sure. Strategy, yes.

**But when you go to war, you need to have both toilet paper and
bullets at the right place at the right time.**

In other words, you must win through superior logistics.”

-Tom Peters