

Indian News

Steel Wire Units May Close Owing to Raw Material Paucity

According to a senior industry body official, steel wire makers, belonging to the labor-intensive small and medium enterprises (SME) sector, are facing acute shortage of raw material. This may lead to the closure of several units.

He added that about 100 units in the organized sector that offer employment to about 500 thousand workers in the country are already operating below 50 percent of their rated capacity, and if the situation continues, several of them will have to close down.

The steel wire makers have appealed to the government to ensure raw material supply and imports of specialized items that are not produced in the country.

“The industry is facing acute shortage of high-grade wire rods, the main raw material for wire production, which has varied application in nation-building,” Tirthankar Banerjee, Secretary-General, Steel Wire Manufacturers Association told PTI.

“The paucity of high-grade wire rods is 50 percent, and it is due to inadequate domestic supply and import restrictions,” he added.

The association has urged the Union Government to ask Steel Authority of India (SAIL) to streamline its specialized wire rods plant at Burnpur and advise Rashtriya Ispat Nigam (RINL) and other private steel makers to supply enough raw materials to the SME sector at fair prices.

Punjab Industrialists and Exporters in Trouble Amidst Farmer Protests

In view of the ‘Rail Roko’ agitation by farmers, the Engineering and Export sector in Punjab is facing a major crisis due to non-movement of containers from Punjab to the port and disruption in supplies of raw materials. Hence, the North Region chapter of Engineering Export Promotion Council (EEPC India) has appealed to the Punjab Government to come up with a solution to ensure movement of industrial goods and raw materials.

In a recently press conference, Kamana Raj Aggarwalla, Chairperson, EEPC India (NR), said that while the association supports the protesting farmers, the industry in Punjab was up for a major crisis due to non-movement of goods amidst its struggle to emerge out of the severe setback caused by the Covid-19 pandemic and the prolonged lockdown.

“All the industries including bicycles, fasteners, hand tools, agriculture machinery, sports goods, hosiery, and auto parts are struggling to get the raw materials. Export of existing orders is getting delayed due to non-movement and unavailability of containers in Punjab. Containers are not moving from Ludhiana dry port and there is scarcity of empty containers for exporters,” she added.

Tushar Jain, EEPC Panel Convenor (Agriculture Machinery), said at least 3,500 customs cleared and ready-to-dispatch containers were stuck in Ludhiana. “Road transport remains a short-term expensive solution but that does not solve the problem completely due to national permit issues and additional high costs.”

Sharad Aggarwal, Industry Representative, said that the buyers are panicking and this situation is fetching a bad repete to the Punjab exporters.

“This can have long-term consequences due to loss of trust of buyers,” he said, adding that the payments of the exporters of Punjab are also stuck as buyers are not releasing the payments without having received the products.

Guneet Rana, Deputy Regional Chairman (NR), EEPC, said Haryana is facing similar protests but is able to move the containers at night. The Punjab Government, he added, should come up with a similar solution with the protestors. ■

Provided by Abhijat Sanghvi (Fastener Association of India)

