

Quality Control Order is a welcome move

In its commitment to ensure 100 per cent quality regime in steel sector, India's steel ministry issued two Quality Control orders namely Steel and Steel Products (Quality Control) Order, 2018 and Stainless Steel Products (Quality Control) Order, 2018 that brings 16 more steel products under the domain of quality control order. Earlier, 34 carbon steel products and three stainless steel products were notified by steel ministry. QCO now cover 50 carbon steel and 3 stainless steel products, which have direct bearing on health and are critical to safety of infrastructure, housing, engineering and public at large. On implementation of these orders, around 85-90% of steel & steel products consumed in India would be covered under QCO.

The notified steel items cannot be produced, sold/traded, imported and stocked unless they bear BIS mark. Domestic manufacturers have to obtain BIS certification mark licenses. Foreign suppliers too have to obtain BIS registration.

"Quality standard is something which government should have done long time back. This is a good step and we welcome the move," says **Abhinav Gupta, Director, Ambica Steels Limited** in this interview.

How do you assess the impact of QCO on stainless steel industry?

Quality Control Order (QCO) was effected in order to bring under its ambit a few stainless steel flat products which need to be ISI marked by BIS. The order aims at



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enhancing competitiveness of the Indian manufacturing sector and downstream industries by raising the bar in terms of quality and standardisation, thereby, ensuring that products of stainless steel manufactured in India are at par with the best in the world.

But if you see in cities like Mumbai, we have observed several instance of infrastructure collapse, which could have been avoided by adopting quality stainless steel products. Usually, you do not expect buildings structures that are fortified with RCC and concrete to fall like that. So any standardisation of quality in stainless steel is welcome step towards right direction.

There will certainly be a short term pain for the industry in terms of supply chain downstream. For upstream players like us obviously we have to now bear more responsibility and will fully cooperate with the government. But if you go down the supply chain it is difficult for smaller manufacturers or fabricators as the notified steel items cannot be produced, sold

or traded, imported and stocked unless they bear BIS Mark.

How do you look at impact of trade war on steel industry?

Any US move to raise import tariffs on stainless steel and related products will harm the export business, especially that of stainless steel long product industry. The larger impact of this will be even more harmful globally since this will encourage surplus nations to divert their exports to high growth markets like India, affecting the domestic industry and local markets.

As far as China is concerned, India being a large consumer of stainless steel in the world and possibly the only stainless steel consuming nation which is growing at a healthy rate, is expected to continue to grow in the next few years, will remain an attractive market for them. This ideally makes India a possible dumping ground for countries like China.

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