

Key Note Address

“SAVE ENERGY ENVIRO FORUM”

“World Environment Day Celebration”

Date: 5 June, 2009

Time: 6.30 PM

Venue: India Habitat Centre, New Delhi

Ladies and Gentlemen:

It is my privilege to be a part of World Environment Day Celebrations.

Steel plays an important role in the development of mankind. Currently more than 3,500 different grades of steel exist. The per capita consumption of steel in India is at around 27 kg, which is well behind the global average of 120 kg.

National Steel Policy 2005 envisages steel consumption in India to go up to 180 million tones by 2020 from existing about 37 million tones. It is estimated that by 2020, energy demand in steel industry alone will shoot up by 4 times.

Material use, energy use and carbon emissions by the steel industry depend on production rates. Increased production rates tend not only to increase input requirements and emissions but are accompanied by higher capacity and profits and the potential for capital investments in new technologies and shifts in the mix of technology.

Steel is a key element of any domestic energy & emissions reduction scenario because the steel industry (including iron production) is among the largest energy consumers in the manufacturing sector.

On June 30, 2008, Prime Minister released India's first National Action Plan on Climate Change (NAPCC) outlining existing and future policies and programs addressing climate mitigation and adaptation. The plan identifies improvement in energy efficiency levels in major energy consuming industries.

Indian industries utilize more than 50% of the total commercial energy sources. Steel, cement, aluminum, petrochemicals, fertilizer and pulp & paper industries

consumes more than 65% of energy attributed to the industries. The energy intensity in these industries is reported to be higher than their counterparts in developed countries. To reduce energy consumption in these industries, Bureau of Energy Efficiency (BEE) has notified these industries as “designated consumers of energy” under the Energy Conservation Act.

Iron & steel industry is the largest energy consuming industry in India, consuming about 10% of electricity & 27% coal consumed by Indian industries. Annual energy cost in Steel industry is 30 to 35% of production costs and 20 to 25% of turnover.

Steel Industry needs to play a major role to achieve objectives of NAPCC. The possible action plan to do so is -

- **Assess energy footprint** : Determine who the major energy consumers for your industry are?
- **Measurable & verifiable commitment to energy efficiency** : One of the best ways for steel industries to reduce their energy consumption and realize significant cost savings, is to increase the energy efficiency of their processes, including manufacturing and transportation.
- **Increase transportation efficiency** : The ocean and ground freight industry is now recognized as a critical link in the supply chain of all industries. Initiatives can be designed to increase energy efficiency while significantly reducing greenhouse gases and air pollution. More efficient transportation by adopting fuel-saving strategies can be implemented.
- **Adopt specific policies for responsible procurement** : to ensure purchasing decisions are aligned with energy & environmentally sustainable principles.
- **Commit to the use renewables to power industrial processes** : It is an attractive source of "green and clean" energy that is receiving serious attention in energy markets, especially those markets with easy access to biomass supplies.
- **Plan energy and technology options for next generation of production**

MITCON is committed to assist steel industries to implement the action plan.

Thank you.