

THE ISSUE OF CLIMATE CHANGE IS ONE THAT WE IGNORE AT OUR OWN PERIL. OUR CONTINUED USE OF FOSSIL FUELS IS PUSHING US TO A POINT OF NO RETURN.

BARACK OBAMA, President of the United States of America



THESE BUDS have deeper roots

Organic Growth

MOST of us don't segregate our garbage into organic and inorganic, which means all the garbage lies around in dumps, rots and pollutes. Unable to bear the rot, Bangalore-based Poonam Kasturi decided to launch Daily Dump, which converts organic waste into compost and with ease. Made of terracotta and available in various sizes, shapes and colours, Daily Dump composters can be fit at homes and offices. A composter consists of three pots placed on top of each other. Kitchen waste needs to be put into the top-most pot and the second one should replace this once it is full. It takes about 90 days to get a whole pot of compost. Apart from homes using the compost for their own gardens, some people have also sold it off to nurseries that are willing to buy it at around Rs 20 a kilo. So, generating more compost is actually profitable. The composters are available in three sizes, with a starting price of Rs 400. Daily Dump uses local potters to supply the pots.

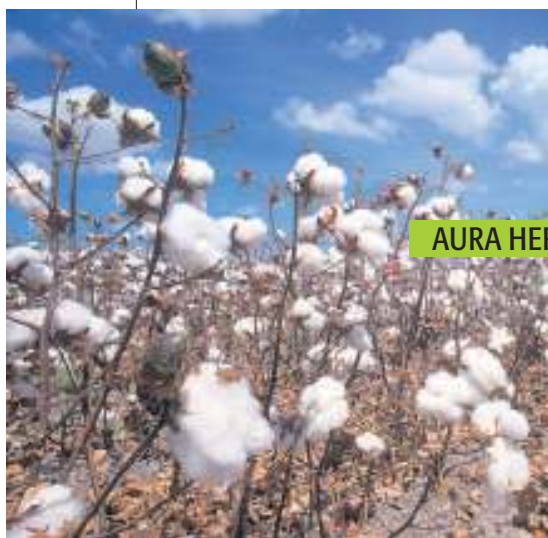
DAILY DUMP



Wear It On Your Sleeves

THERE is a huge international market developing for organic fabric. IIM-A incubated company Aura Herbal Wear latched on to this opportunity and now makes textiles using organic cotton and processes it using only herbal dyes at its Ahmedabad plant. The founder of the company Arun Baid is expecting demand for his fabric, which he mostly exports, to double over the next two years. Today, he exports to a number of medium sized niche brands. Traditionally, there are about 8,000 odd chemicals used in processing textiles but Aura's patented process does away with these chemicals. In India, Baid is enthusiastic about the creation of new demand as environment consciousness grows in the country. Consumers in the country are already starting to demand organic fabric. As the business grows, Baid is also considering licensing the patent to a larger textile company. The company has a turnover of Rs 4 crore.

AURA HERBAL WEAR



Proving Its Metal With E-waste

EVER wondered where the computer or mobile phone you throw away go? To a junkyard probably, to be salvaged for the usable parts by open burning or acid washing and then the rest of the parts are thrown into a garbage dump, leaching lead into the ground. Brothers Nitin and Rohan Gupta decided that they wanted to do something about it and setup Attero Recycling, which recycles e-waste. They have set up an integrated facility at Roorkee, which can recycle 36,000 tonnes of e-waste a year. This plant can extract 98% of the materials from the waste — copper, lead, nickel, zinc, plastic, iron, silver and even gold to an extent and sell them in the market. Attero has signed up third-party logistics provider Vikram Logistics to pick up PC from homes as well as scrap from other sources across the country. They are setting up a network of local *kabadiwalas* to collect e-waste for recycling. Attero has also tied up with LG for a mobile 'takeback' campaign with drop boxes at 50 LG centres. The company has collected 300-400 tonnes of e-waste, plans to do about 1,000 tonnes a month initially and reach 3,000 tonnes a month in 4-5 years. It has tied up with corporates such as LG, Perot Systems, KPMG, Visa and Tata DIESL to send their e-waste for recycling.

ATTERO RECYCLING

Natural Colours

EACH tonne of recycled paper can save 17 trees. The issue though is the cost of recycling paper, which is high because taking the ink out of the paper is a difficult process. A group of Indian Institute of Technology, Delhi students — Sidhartha Bhimania, Krishna Gopal Singh and Sandeep Mourya — have developed an offset printing ink which is made from vegetable oils, unlike traditional ink which is made from petroleum products. The ink is biodegradable and easy to extract from paper, thereby reducing the cost of recycling. Think of the savings: the global offset printing industry uses 1 million tonne of petroleum products and emits 5,00,000 tonne of volatile organic compounds every year. EnNatura has patented the technology and is hoping it will find favour with corporates that currently use non-biodegradable ink and reams of paper to make brochures, advertising, packaging and for other applications. This is the cheapest way for them to acquire the green tag. For printing presses, the ink reduces printing cost by a third. They have already started working with a number of printing presses, NGOs and IIT-D's student publication wings.

ENNATURA



Making Sun Shine At Night

THE ALTERNATE energy segment is full of opportunities, especially in a country like India and Akshat Khare decided to take the plunge into it right after his MBA from IIM-A. He setup solar-based LED lighting company Pegasus Semiconductor which makes off-grid home and street lighting systems using LED lights and solar LED lights for the power starved rural areas. To date, the company has done 1,200 installations in Barmer, Rajasthan and about 35 installations with companies such as Zyudus Cadilla and other government bodies. It is expecting to reach a revenue of Rs 3 crore by the end of the fiscal. There is huge interest from the government, who, Khare feels, will be the biggest clients for them going forward. Some corporates like L&T who are apprehensive about the technology have got a single installation done to see how it works and Khare and his team are hoping they will come back with a large order.

PEGASUS SEMICONDUCTOR



green PIECE SUNIL BHARTI MITTAL

Chairman & Group CEO, Bharti Enterprises

Photos: AMRENDRA JHA



THE ATTENDANCE OF WORLD LEADERS AT COPENHAGEN REFLECTS THE SERIOUSNESS WITH WHICH THE WORLD TREATS THIS PROBLEM

It will be a year of consolidation

THE YEAR 2009 HAD STARTED ON A CHALLENGING NOTE. 'FEAR OF THE uncertain' was clearly the driving force for everyone — entrepreneurs, employees, policymakers alike. Today, however, the overwhelming feeling seems to be of 'relief and optimism'. Relief, for passing through the worst global slowdown since the 1930s with fewer traumas than earlier anticipated; optimism, for the steady turnaround in the economy that we witness today.

The year 2009 was truly an extraordinary year. There was general 'crisis of confidence'. While governments were busy addressing the same through stimulus packages, corporates were doing some tough belt-tightening and innovative thinking to sail through the crisis. Interest rates were falling to historic lows to improve liquidity and taxes were being tweaked to make goods affordable. The Obama administration in the US even went to the extent of coming out with specific intervention packages for big corporates like AIG and General Motors to help them wriggle out.

The Indian government's initiatives, however, were entirely focused on demand stimulation through increased public spending, lower interest rates and cut in excise duty. Over and above these initiatives, what really helped the Indian cause was the limited dependency on exports for growth. The 7% GDP growth registered during the first two quarters of the current fiscal clearly indicates that the economy has turned the corner. Modest growth recorded in most of the major economies across the world too indicates that the worst is behind us.

Expectations from the Copenhagen Climate Summit had been building up through the year. The attendance of a wide array of world leaders at the negotiations did reflect the seriousness with which the world treats this problem. The BASIC Group (China, India, Brazil, South Africa) came up with a strong and effective defence of their positions and managed to keep the door open for further dialogue leading up to the negotiations in Mexico. Let's hope the leaders don't miss out on this when they meet next and 2010 brings some good news on this score.

Coming back to India, the year assumed special significance in view of the General Election in May 2009, which threw up a more stable Congress-led United Progressive Alliance (UPA) coalition. With a renewed mandate, and the global slowdown behind us, India Inc expects the government to carry forward its reforms agenda in the New Year more resolutely. Roll out of the Goods and Service Tax (GST) scheduled for April next remains the next big task on the reforms front. But the central and state governments will have to do some serious balancing act before such a landmark reform takes root in a challenging environment.

General optimism in the economy is likely to make corporates shift gear from an austerity mode to one of seeking opportunities. There could be competition to be 'first of the block' to cash in on the emerging market expansion. It is going to have a direct impact on the employment situation in the country. Customers too can expect a steady movement towards new product and service introductions from marketers.

We could see a steady roll back of the stimulus packages through the year with government trying to balance growth and inflation control, particularly of food prices at the same time. Under the leadership of the Prime Minister and ably supported by an astute finance minister, the country can hope to see some fillip to the reform process by way of liberal FDI, banking and pension sector regime changes and land and urban renewal programmes. I am optimistic about a calibrated approach that ensures a healthy balance between growth, price stability and fiscal balance.

Over all 2010 is going to be a year of consolidation during which the country will leave the troubling memories of the recent past and prepare the economy for its customary 9% plus growth from 2011 onwards.

DEVELOPMENT OF STEEL INDUSTRY HAS TO BE FOSTERED BY COMBINATION OF SUPPLY AND DEMAND-SIDE POLICIES

Photos: AMRENDRA JHA

More ore to keep steel on a roll

INDIA is one of the few countries in the world where the steel sector has continued to grow, both in terms of production and consumption, despite the global economic downturn. If one looks at steel production in the calendar year 2009, India has risen in the global ranks to become the third largest steel producer in the world, after China and Japan from its earlier fifth position. This is because of production cuts in countries like Russia and the USA.

Our annual per capita consumption of steel is still less than 50 kg which is considerably lower than the world average but given the trajectory of the country's economic growth, domestic steel consumption in India is set to grow dramatically. India also has certain natural advantages as a steel production location on account of its deposits of high quality iron ore, its strengths as one of the emerging steel production markets and its location in the middle of the Asian region where steel consumption is expected to grow dramatically. It is for this reason that a number of global steel majors have announced plans to set up new steel production facilities in the country.

The global slump in the steel industry that had happened in the last one year is now evening out. Global steel industry capacity utilisation in October 2009

stood at around 76% as against around 48% in December 2008. If these trends persist, the global steel industry is expected to bounce back.

The Indian steel industry has plans to nearly double its production from the present level of around 60 mtpa to around 124 mtpa over the next three years. A key compulsion here is to overcome various issues such as land, rehabilitation, raw-material tie-ups, infrastructural deficiencies, etc that are impeding the pace of investment in the steel sector. If we are able to overcome these hurdles in a timely manner, India can become one of the key suppliers to regional steel markets. With the commissioning of new deep sea ports, particularly on the country's eastern seaboard, the economics of international transportation of steel and raw materials is expected to improve.

In summation, the development of the Indian steel industry has to be fostered by a combination of supply-side and demand-side policies that will facilitate the healthy growth of the Indian steel sector not only to supply to domestic markets but to regions beyond. The Indian economy is on an assured growth path and the forecast of most agencies over the next one or two years is a growth rate of 7% and beyond. Industrial production growth is also back

on track, backed by strong demand from industries such as auto, capital and engineering goods and consumer goods. These trends augur well for the steel industry in India.

However, there are concerns on account of low credit growth, impediments in the way of large investments like land acquisition issues, forest clearances, law and order problems, etc. The country is also gearing up to the challenge of maintaining a healthy balance between managing inflation on the one hand and the need to have a liberal growth policy to support the growth requirements of the industry on the other. However, it is now universally acknowledged that the management of the Indian economy has withstood the test of the recent global downturn that had afflicted all the major economies of the world. I am confident that we are set for a period of healthy and robust secured growth. The steel industry would be one of the key drivers and beneficiaries of industrial growth in the country.

As I had mentioned previously, the outlook for the steel sector looks robust both domestically and globally. The production levels of steel in the developed countries are tending to resume their momentum after the significant downturn that had taken place over

the past year. In October 2009, the world crude steel output at 112.2 million tonnes was 32.4% higher than February 2009 levels. Countries like India and China have become the engines of revival for global economic recovery. If the proposed new steel production capacities materialise over the next 3-4 years, our position as a global leader in steel production will improve further.

The disinvestment of public sector undertakings has two basic objectives — first is to make more resources available for government's development plans aimed at improving the life of the poorest Indian. Equally important is the need to widen the base of public ownership of our PSUs. If the man on the street has a stake in the ownership of our key PSUs, the quality of public scrutiny and the quality of corporate governance is expected to improve significantly. Many of our PSUs are in an expansionary mode and going to the market will enable them to tap a fresh stream of resources for underwriting their modernisation and capacity expansion plans. However, I would like to emphasise that there will be no question of diluting the concept of public ownership of these companies and we will ensure that our PSUs will continue to be owned and managed by the government.

THERE IS A NEED TO WIDEN THE BASE OF PUBLIC OWNERSHIP OF PSUs. IF THE MAN ON THE STREET HAS A STAKE IN THE OWNERSHIP OF OUR PSUs, THE QUALITY OF PUBLIC SCRUTINY AND CORPORATE GOVERNANCE WILL IMPROVE SIGNIFICANTLY.

VIRBHADRA SINGH
Union Steel Minister

