

Jindal Stainless Limited export orders rebound in May-June period

Company's June despatches to reach pre-COVID-19 export levels

New Delhi, June 4, 2020: Jindal Stainless Limited (JSL), India's largest stainless steel manufacturer, has regained its footing in export volumes by ramping-up production for global markets. With India yet to completely lift the lockdown, JSL's strategic initiative to recapture volumes in the export markets is yielding encouraging results. In the month of May, JSL despatched export orders of over 12,000 tonnes, comprising more than 40% of the entire share of its despatches. In a normal month, this percentage hovers around 18-20%. In June, the Company is slated to despatch over 18,000 tonnes, taking the export volume back to pre-COVID-19 period.

Commenting on this development, **Managing Director, JSL, Mr Abhyuday Jindal** said, ***"We've adjusted our sails to weather the storm. We're aggressively chasing export markets in the EU and Russia, which constitute the bulk of our export volumes. Besides, we are also looking afresh at other markets like Korea and South America to maximise exports. We are optimising operations at our plants to align with the market conditions and we'll be swift to respond to domestic demand upon revival."***

JSL has gradually ramped-up its operations since the re-opening of its manufacturing facility in the first week of May. By the end of May, JSL's downstream facilities were operating at ~60% of installed capacity, and the overall capacity utilization reached ~40%. With the gradual easing of lockdown, utilization will be ramped up in June. For uninterrupted operations and smooth flow of goods throughout the supply chain, JSL is closely coordinating with local authorities.

Given the government's focus on revival of MSMEs along with planned relaxation of the lockdown, domestic demand of stainless steel is expected to pick up in a couple of months. The health and medical industry is opening up new avenues for production of equipment and infrastructure made with stainless steel. Moreover, the government's push towards infrastructure projects, along with robust demand from Railways, will generate sustained demand for the industry. As more and more people switch to private modes of transport, demand from the two-wheeler segment, where the Company enjoys a majority market share, is bound to increase.

With global companies looking to shift base out of China, India is poised to be the new 'Manufacturing Hub'. As the subsidized Chinese industries of auto components, white goods, pharmaceuticals, electronics etc. vacate global markets, the Indian stainless steel industry can more than fill this gap.