

Raw material crisis may lead to closure of many SME steel wire units, says industry body

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STEEL WIRE MAKERS, belonging to the labour-intensive small and medium enterprises sector, are facing acute raw material shortage that may lead to the closure of several units, a senior industry body official said on Sunday.

About 100 units in the organised sector that offer employment to about five lakh workers in the country are already operating below 50% of their rated capacity, and if the crisis prolongs, then many will have to close down, the official said.

The wire makers have sought government intervention to ensure raw material supply, and a window for imports of specialised 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," Steel Wire Manufacturers Association secretary-general Tirthankar Banerjee told PTL.

"The paucity of high-

grade wire rods is 50%, and it is due to inadequate domestic supply and import restrictions," he said.

The association urged the Union government to ask Steel Authority of India (SAIL) to streamline its

specialised wire rods plant at Burnpur, and advice Rashtriya Ispat Nigam (RINL) and other private steel makers to supply raw materials in adequate quantity to the SME sector at fair prices.