

Steel Scrap Policy

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Why was it news?

- Recently, the Ministry of Steel issued the Steel Scrap Recycling Policy.

What is steel scrap?

- Steel scrap is a left-over from steel manufacture or fabrication or at the end of life of the product.

How steel is produced?

- Blast Furnace (BF)–Basic Oxygen Furnace (BOF): Blast furnaces convert iron ore into hot metal (when further processed in liquid stage to steel) or pig iron (when solidified).
- Electric Arc Furnace: The furnace can be operated with 100% scrap as input metal along with lime and dolomite, which are slag formers.
- Induction furnace (IF): Initially IFs were used for melting stainless steel scrap. They are also used for mild steel production also.

Why is this policy needed?

- Steel scrap is 100 percent recyclable. While iron ore remains the primary source of steel making used or reused steel in the form of Scrap is the secondary raw material for the steel industry.
- To regulate and formalize the scrap industry: Interventions are required to accord Industry / infrastructure status to the unorganized scrap recycling sector so as to ensure statutory compliance with respect to safety, health and environmental norms in collection and processing of scrap.
- To improve steel production and reduce import bill: The

current supply of scrap is 25 MT from the domestic unorganized scrap industry and 7 MT from import of scrap. There is potential to harness this 7 MT of scrap that is currently being imported from the domestic market itself.

- There is also higher scrap availability due to increasing per capita steel consumption (doubled from 2004- around 33kg to around 60 kg).
- **Eco-friendly:** : Recycling steel requires 56 percent less energy than producing steel from iron ore, and reduces CO2 emissions by up to 58 percent.

Key feature of Steel Scrap Recycling Policy

- It promotes collection, processing and recycling of products in an organized, safe and environment friendly manner.
- The policy also proposed to create a mechanism for treating waste streams and residues produced from dismantling and shredding facilities in compliance to Hazardous & Other Wastes (Management & Trans boundary Movement) Rules, 2016.
- Promote circular economy: The policy envisions promoting circular economy in the steel sector. The steel scrap shall be recycled to produce high grade steel. This can be used in industries such as equipment manufacturing, automobiles and other downstream industries.
- Authorize Steel scrapping center: It promotes 6Rs principles of reduce, reuse, recycle, recover, redesign and remanufacture through scientific handling, processing and disposal of all types of recyclable scraps including non-ferrous scraps, through authorized centers / facility.
- Hub and the spoke model: To address the issue of collecting scrap and to structure the informal recycling sector based on environmental and scientific fronts, a hub and the spoke model has been suggested.

- A 4+1 hub and spoke model is suggested where 4 collection and dismantling centres are to cater to the 1 scrap processing centre. Around 400 jobs would be created by one such composite unit.
- **Inter-Ministerial Coordination Committee:** An Inter-Ministerial Coordination Committee has been set up with Secretary, Ministry of Steel as Convener and Secretaries of Ministry of Road Transport & Highways (MoRTH), Department of Heavy Industry (DHI), Ministry of Environment, Forest & Climate Change (MoEF&CC), Department Revenue and Ministry of Labour & Employment as members.