Syllabus subtopic: Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

News: In a bid to ensure quality scrap for the steel industry, the government has come out with a Steel Scrap Recycling Policy that aims to reduce imports, conserve resources and save energy.

Prelims focus: Key features of the Scrapping policy and National Steel Policy.

Mains focus: Need for and significance of the policy

- The policy resulted from the Indian government’s National Steel Policy of 2017, in which the country is expected to have 300 million mt/year of steel production capacity by 2030.

Key features of the policy:

1. The policy aims to promote circular economy in the steel sector”, besides promoting “a formal and scientific collection, dismantling and processing activities for end of life products.
2. It envisages a framework to facilitate and promote establishment of metal scrapping centres in India, which will ensure scientific processing and recycling of ferrous scrap generated from various sources and a variety of products.
3. It also aims to decongest the Indian cities from reuse of ferrous scrap, besides creating 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 issued by the Ministry of Environment and Forests.
4. The policy is based on “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”.

Need for the policy:

- The country’s steel scrap imports were valued at Rs 24,500 crore in 2017-18, while the deficit was to the tune of 7 MT.
- The scrap policy will ensure processing and recycling of products in an organised, safe and environment friendly manner, besides evolving a responsive ecosystem and producing high quality ferrous scrap for quality steel production minimising the dependency on imports.
- And the gap between demand and supply of scrap can be reduced in the future and the country may be self-sufficient by 2030.
- The scrapping policy shall ensure that quality scrap is available for the steel industry.

Benefits of using scrap:
1. Scrap is an important input for the electric furnaces. If quality scrap is provided as the charge to the electric furnaces, then the furnaces can produce high grade steel. High grade steel scrap shall not have the impurities if processing is done with the scrap processing centres and by shredders etc.

2. There is a worldwide trend to increase steel production using scrap as the main raw material as recycling of scrap helps in conservation of vital natural resources besides other numerous benefits.

3. The use of every tonne of scrap shall save 1.1 tonne of iron ore, 630 kg of coking coal and 55 kg of limestone. There shall be considerable saving in specific energy consumption also.

Concerns:

The policy has raised several market concerns ranging from a surge of mixed metal (unprocessed) scrap flowing into the country to challenges of setting up recycling centres.