

Vol 3 Issue 11 Dec 2013

ISSN No : 2230-7850

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International Multidisciplinary  
Research Journal

*Indian Streams  
Research Journal*

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**RNI MAHMUL/2011/38595**

**ISSN No.2230-7850**

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## LOCALIZATION ADVANTAGES OF JALNA STEEL INDUSTRIES IN MAHARASTRA



Chothe Sambhaji Shivaji

**Abs tract:**-According to analysis of progress in Jalna steel Industries, there are several factors are affecting to progress and growth of it , such as easy availability of scrap, cheap rate of labor as compare to other steel plants, sufficient supply of electricity , enough capital availability and so on. In case of existing status of industrial areas in Jalna district, there are three phases in it and total 592.9 hector land acquired by government of Maharashtra for that ,out of 592.9 hector land, phase I used 158.10 hector, second phase used 123.46 and third used 260.76 land for MIDC . in Jalna district Ambad, Bhakardan, Jafrabad area developed by MIDC.

**Keyw ords:**Localization , steel Industries , analysis.

### INTRODUCTION

Study of steel industry profile in Jalna MIDC, Maharashtra is based on factor like, Total Investments of Jalna Steel Industries, working Capital, Turnover of companies, Number of worker, Profits made by companies. In case of the capacity of each plant was 1 lakh tones. These 37 plants came into operation between 1990 and 2010. The Jalna Steel Development Association (JSDA) is the unifying point for the growth and development of steel usage in India. Founded in 1990 by leading steel producers, it was formed with the explicit objective of diversifying the applications of steel in India and increasing usage volumes in the country. At the point of formation of JSDA, the main visible application in daily life was essentially construction of building. It currently has a membership of over 37 companies engaged in the steel business at Jalna district.

According to weber's theory firms to normally chose a location in view to minimize their, Jalna steel industry follow same themes in theory, it means that major steel markets in the country close to Jalna steel industry such as Mumbai & Nagpur of only 400 km and Pune 300 km form if, those conditions are quite similar to Weber's industrial location they. As per theory Jalna steel industry have several natural resource such as water are ubiquitous (available everywhere) while many production inputs such as labour, fuel and minerals are available at Jalna MIDC locations.

According to Weber there are three main factors influence industrial location transport costs, Jalna steel industry have Railway lines to joint main markets for raw materials as Chandrapur & for seals Mumbai, Pune, Nagpur and also have highway to connect it in case of labour cost Jalna steel industry have good sources to get sufficient labour cause of numbers of labour contractors and placement agencies working at same steel industry at the last according to Weber's theory agglomerating economics also present at Jalna steel industry.

Hence we can say that all three factors which are

affected to the development and growth of industrial locations mention in the max Weber industrial location theory present in Jalna steel industry. In short this are (transportation cost, Labour cost, agglomerating economic) main causes to develop steel industry in the Jalna district.

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### The plant enjoys the following localization advantages:

- 1.Coal comes from Chandrapur, situated at a distance of about 400 km.
- 2.Scrap is brought from Bhavnagar, Gujrat. Chennai, Mumbai .All these centres are within a distance of 400 km from Jalna.
- 3.The Damp Jayakwadi and Godavari in Shahagad provide water.
- 4.The works are in an infertile and thinly populated region as such labour comes from other parts of Bihar, M.P, Orissa and U.P
- 5.Jalna is served by South-Central railway.
- 6.Mumbai – Pune –Nagpur, situated at a distance of about 400 km provides main market. It also serves as a port for the export of finished products.

All these factors have attributed to the development of JSDA the installed capacity of the plant is 3 million tones of steel ingots per annum. In addition to steel, various types

of items like bars, rails, billets, tin plates, tin sheets, railway wheels, steel wires etc. are manufactured.

**The Major favorable factors here are:**

- (i) Coastal location.
- (ii) Nearness to major markets.
- (iii) Cheap land.
- (iv) Fresh water from streams.
- (v) Cheap labour.
- (vi) Easy availability of scrap.

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