

GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO2493
ANSWERED ON 05.12.2000
STEEL PLANTS UNDER SAIL
HARBHAU MAHALE/VEDITA MANE

Will the Minister of STEEL be pleased to state:

- the number of steel plants functioning under SAIL, alongwith their production capacity and their actual production during the last three years;
- the details of plants incurred profit during the last three years, year-wise and plant-wise;
- the steps taken by the Government to check losses of the loss making plants; and
- the nature of problems being faced by the steel industry at present and the steps taken/being taken by the Government to solve this problem?

Answer

THE MINISTER OF STATE FOR STEEL (SHRI BRAJAJI KISHORE TRIPATHY)

- Details of the steel plants functioning under SAIL, alongwith their production capacity of saleable steel and their actual production during the last three years are as follows:

(Unit 000)

Plants 1997-98 1998-99 1999-2000
Annual/Cap Actual/Prod. Annual Cap Actual Prod. Annual Cap Actual Prod.

SAIL	3153	3524	3153	3352	3153	3411
OSP	1586	2239	1586	1319	1586	1402
ASP	2212	2182	2212	2114	2212	2170
ASP	3146	2748	3146	2561	3146	2246
ASP	184	124	184	99	184	6
OSP	175	177	175	174	175	248
VISCO	75	75	75	77	75	75
ISSCO	377	315	327	285	242	250

- Details of loss/profits incurred by steel plants of SAIL during the last three years are as follows:

(Rs. in Crores)

Year	OSP	OSP	OSP	ASP	OSP	VISCO	ISSCO	
1997-98	701	-509	-374	367	-48	-120	-84	-335
1998-99	301	-718	-765	-310	-219	-130	-74	-387
1999-00	92	-651	-704	120	-262	-142	-91	-210

- The losses are invariable mainly due to sluggish market conditions, high capital related expenses, cheap imports, competition from private sector, domestic producers, high manpower cost etc. .

The modernisation of three SAIL plants together with regular monitoring of cost reduction at its plants is designed to enable SAIL to improve the quality of its products and profitability of its operations.

The thrust areas, inter-alia, in this regard are:

- Maximising production through continuous casting.
- Optimization of secondary refining facilities.
- Reduction in specific consumption of raw materials.
- Reduction in power and fuel expenses.
- Reduction in consumption of spares & spare consumption.
- Improving yields and efficiency of various processes.

- The problems being faced by the Steel Industry at present include inter-alia sluggish demand in the steel consuming sector, overall economic slowdown in the country, cost escalation in input materials for steel industry, dumping of finished steel by CIS and other countries, adverse conditions in export market in steel, decline in domestic and international prices, etc.

Government has taken several steps to boost the demand for steel which inter-alia include:

- Orienting product-mix to suit the market requirements and adjusting production in tune with change in the market demand.
- Developing and nourishing long term customers relationship by entering into MOU/supply arrangement with the customers.
- A 'Steel Exporters Forum' has been set up to help steel exporters to overcome bottlenecks in exports.
- To boost the demand and consumption of steel, the Development Commissioner for Iron and Steel (DCIIS) has launched a National campaign for increasing the demand for steel, especially in non-traditional sectors such as rural and agro based industrial sector.
- Rationalisation of Duty Entitlement Pass Book (DEPB) rates for steel exports have been carried out to boost exports.
- An Empowered Committee has been set up to examine and assist specific Research and Development Projects to improve technology for steel making and enhance quality of Indian Steel.