

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:250
ANSWERED ON:15.12.1999
PRIVATISATION OF SAIL .
SHYAMA SINGH

Will the Minister of STEEL be pleased to state:

- (a) whether M/s Mc Kinsey and Company, an international consulting firm has suggested privatisation of SAIL;
- (b) if so, the basis on which an international consulting firm has recommended privatisation of SAIL; and
- (c) the reaction of the Union Government in this regard?

Answer

MINISTER OF STATE FOR STEEL (SHRI DILIP RAY)

(a)&(b): M/s McKinsey & Company has recommended in its report 'A Competitiveness Plan for SAIL' that the Government of India should consider eventually privatising SAIL after the implementation of the Competitiveness Plans suggested by it. The reasons advanced by the firm are :

- (i) SAIL should be freed from the constraints of Government ownership to ensure its long-term survival and profitability in the highly competitive steel industry; and
- (ii) The implementation of the Competitiveness Plan will make SAIL attractive to private investors due to its low cost plants, which will result in better realisation to its shareholders.
- (c) The Government has not taken any decision in the matter.