

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:19
ANSWERED ON:15.11.2007
FOREIGN INVESTMENT IN STEEL SECTOR
Rao Shri Sambasiva Rayapati

Will the Minister of STEEL be pleased to state:

- (a) whether some countries have expressed, of late, their desire to invest in the steel sector of the country;
- (b) if so, the details thereof; and
- (c) the decision taken by the Government thereon?

Answer

THE MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a)to(c): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (C) OF THE LOK SABHA STARRED QUESTION NO. 19 TO BE ANSWERED ON 15TH NOVEMBER, 2007, TABLED BY SHRI RAYAPATI SAMBASIVA RAO, MEMBER OF PARLIAMENT REGARDING FOREIGN INVESTMENT IN STEEL SECTOR

(a) Some foreign investors have expressed their desire to set up steel projects in the country.

(b) The details of such major foreign investors are: -

- i) POSCO India Limited (a subsidiary of Pohang Steel Company (POSCO) of South Korea) has signed an Memorandum of Understanding with the Government of Orissa, on 22.06.2005, to set up a 12 million tonne steel project in Orissa at an estimated cost of Rs. 51,000 crores.
- ii) Arcelor - Mittal India Limited has signed an Memorandum of Understanding with the Government of Orissa, on 22.12.2006, to set up a 12 million tonne steel project in Orissa at an estimated cost of Rs. 40,000 crores.
- iii) Arcelor - Mittal India Limited has signed an Memorandum of Understanding with the Government of Jharkhand on 08.10.2005, to set up a 12 million tonne steel project in Jharkhand at an estimated cost of Rs. 40,000 crores.
- iv) Sinosteel India Pvt. Ltd., China has expressed interest to set up a 5 million tonne steel project in Jharkhand.

(c) As per the Government's Policy, Foreign Direct Investment (FDI) upto 100% is permitted in the steel sector under the automatic route where no prior approval is required.