

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1950

ANSWERED ON:11.12.2008

DEMAND/SALE OF STEEL

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Will the Minister of STEEL be pleased to state:

- (a) whether the steel consumers in the country have been divided into various categories for purchasing steel;
- (b) if so, the details of such categories along with the identified consumers in each category;
- (c) the average annual quantity of steel out of total production sold to consumers of each category during the last three years and the current year;
- (d) whether the demand of the consumers are not being met;
- (e) if so, the reasons therefor; and
- (f) the steps taken by the Government to fulfill their demands?

Answer

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

(a)to(c): No, Sir. There is no formal categorization of steel consumers for purchasing steel.

(d)to(f): In a de-regulated, liberalized economy, production of steel is influenced primarily by demand conditions (both local and global markets) and also by availability of raw materials to achieve the required level of production. Decisions related to production are taken essentially by the steel producing units. The Government in such a market set-up has the role of a facilitator only – it provides the overall policy environment to promote industry growth. In order to promote the domestic steel industry and to meet the projected demand, the Government has constituted an Inter-Ministerial Group (IMG), under the chairmanship of Secretary(Steel), to monitor and coordinate the issues concerning major steel investments in the country related to infrastructure, raw material supply, environmental clearance and other resource constraints.

The excess demand of steel not fulfilled by the domestic supply is bridged by imports. The data on import of finished carbon steel during the last five years is as under:-

Qty. '000 tonne

2003-04 2004-05 2005-06 2006-07 2007-08 (Prov.)

1753 2293 4305 4927 6921

Leading domestic steel producers, both in public and private sector, have announced plans to expand their existing capacities through both Greenfield and Brownfield ventures. As per the latest estimates based on these capacity additions, the crude steel production capacity is likely to reach around 124 million tonnes by 2012.