

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:454
ANSWERED ON:25.02.2010
INVESTMENT IN STEEL INDUSTRY
Rathod Shri Ramesh

Will the Minister of STEEL be pleased to state:

he details of investment made and incentives given to steel industry during the Eleventh Five Year Plan in the country especially in Andhra Pradesh?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP)

Steel is a deregulated sector and the Government does not directly make investments in the steel industry. However, a Gross Budgetary Support (GBS) of Rs.118.00 crore has been provided for promotion of Research and Development (R&D) in the Iron and Steel Sector during the Eleventh Five Year Plan. Government implements various fiscal measures in the form of duties and taxes, from time to time with an overall view to regulate economy and boost the industry. However, on the aftermath of global economic slowdown the following economic stimulus measures were initiated by the Government during October 2008 to February 2009:

- (i) Export Duty on steel items (except melting scrap) withdrawn with effect from 31.10.2008;
- (ii) Duty Entitled Pass Book (DEPB) on steel items restored with effect from 14.11.2008;
- (iii) Import Duty on iron and non-alloy steel items re-imposed at 5% with effect from 18.11.2008;
- (iv) Central Value Added Tax (CENVAT) on steel items reduced to 8% with effect from 24.02.2009; and
- (v) Countervailing duty (CVD) on Thermo Mechanically Treated (TMT) bars and structurals were reintroduced with effect from 02.01.2009.