

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1232
ANSWERED ON:04.03.2010
RESURGENCE IN DEMAND OF STEEL
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Will the Minister of STEEL be pleased to state:

- (a) whether there is resurgence in a demand of steel in the European Union (EU) region and developing countries;
- (b) if so, the details thereof; and
- (c) the action plan prepared by the Government to exploit the situation?

Answer

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

(a)&(b): While there has been an overall recovery in steel demand and production towards the later half of 2009 and into the first month of 2010, the production worldwide for the year 2009 fell by 8.27% as compared to the previous year. The production in the European Union (EU) fell by nearly 30% in the same period. Except for the Middle East and Asia, all the major geographical regions of the world recorded drop in steel production, as can be seen from the table below:-

World Crude Steel Production (Region-wise)

Region	Year 2007	2008	2009	2009 over 2008 (% change)
EU-27	209,732	198,550	139,143	-29.9
Other Europe	30,608	30,887	28,814	-6.7
C.I.S. (6)	124,169	113,986	97,358	-14.6
North America	132,618	125,365	82,251	-34.4
South America	48,232	47,586	37,819	-20.5
Africa	18,755	17,009	14,843	-12.7
Middle East	16,452	16,036	16,591	3.5
Asia	761,940	749,496	776,330	3.6
Oceania	8,783	8,424	6,014	-28.6

Total 1,351,289 1,329,719 1,219,715 -8.3

Source: World Steel Association

However, steel production globally increased sharply by 18.2 percent in the month of January 2010 over the same month of the previous year. The figures for the EU remained high.

(c) In a deregulated sector, the Government acts as a facilitator and continuously monitors the developments and prescribes policy measures depending on the outcome of its assessment of market trends – be it home market or export market.

The Government has constituted an Inter-Ministerial Group (IMG) under the chairmanship of Secretary (Steel) to monitor and coordinate implementation issues concerning major steel investments in the country. The IMG will review and co-ordinate measures for early completion of the major steel projects and address various problems concerning:

Infrastructure constraints related to ports, rail, road network.

Availability of iron ore and coal.

Speedy environmental clearance for project sites as well as for iron ore and coal mining activities.

Availability of land, water resources and issues concerning rehabilitation.

For the Small and Medium Enterprises (SME) units, the Government has reduced import duty on scrap and other raw materials to zero in order to make available quality inputs at competitive prices through the import route. It is also in dialogue with different States regarding quality and tariff of electrical energy to these secondary units.