

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:70  
ANSWERED ON:02.07.2009  
DEMAND OF STEEL  
Singh Shri Ganesh

**Will the Minister of STEEL be pleased to state:**

- (a) the production of steel in the country at present, company-wise;
- (b) whether the demand of steel in the country is increasing sharply;
- (c) if so, the details thereof; and
- (d) the measures being taken by the Government to meet the demand of steel?

**Answer**

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

(a) The details of production of crude steel in the country by the Main Producers [Steel Authority of India Ltd. (SAIL), Rashtriya Ispat Nigam Ltd. (RINL) and Tata Steel Ltd.], the Major Producers (Ispat Industries Ltd., Essar Steel Ltd., Jindal Steel & Power Ltd. and JSW Steel Ltd.) and other producers for the year 2008-09 and the period from April to May, 2009-10 are as under:-

Production of crude steel (in million tonnes)

CATEGORY	2008-09	April-May	2009-10
----------	---------	-----------	---------

SAIL	13.41	2.186	
------	-------	-------	--

RINL	2.96	0.498	
------	------	-------	--

Tata Steel Ltd	5.65	0.988	
----------------	------	-------	--

Essar Steel Ltd.	3.26	0.642	
------------------	------	-------	--

Ispat Industries Ltd.	2.20	0.290	
-----------------------	------	-------	--

Jindal Steel & Power Ltd.	1.57	0.313	
---------------------------	------	-------	--

JSW Steel Ltd. 3.17 0.782

Other Producers 22.30 3.575

TOTAL 54.52 9.274

Source: Joint Plant Committee (JPC); =provisional

(b)&(c): The data on consumption of total finished steel in the country during the last three years shown in the table below indicates that the demand for steel increased in the years 2006-07 and 2007-08 but decreased slightly in the year 2008-09. However as per the provisional data on consumption of steel for the first two months of the current financial year, the demand has increased as compared to the same period last year:-

Year Total Finished Steel Consumption (in million tonnes)

Total % change compared to same period, last year

2006-07 46.78 12.9

2007-08 52.12 11.4

2008-09 52.05 -0.1

April-May 2009-10 08.22 5.9

Source: Joint Plant Committee (JPC); =provisional

(d) Under the existing policy regime, Government's role is to act as a facilitator and formulate suitable policy for the overall growth of the steel industry including steel production to match the anticipated demand in the country. However, Government has taken various steps to facilitate the production of steel through both green-field and brown-field capacity expansion to take care of growing demand of steel. Some of these initiatives are:-

(i) To maintain capacity utilization at high levels efforts have been made to provide uninterrupted supply of input materials both from domestic and overseas sources. Duty rates on most of the important raw-materials have been slashed to zero.

(ii) Import duty on steel is kept low at 5% and steel import has been de-regulated except for Hot Rolled steel which faces unfair competition from cheap imports.

(iii) An Inter Ministerial Group (IMG) consisting of senior officers of concerned Departments of Central/State Governments has been constituted 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 to expedite the process.