

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

STARRED QUESTION NO:296

ANSWERED ON:15.04.2010

PRODUCTION OF STEEL

Meghe Shri Datta Raghobaji; Naik Dr. Sanjeev Ganesh

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

- (a) the production of crude steel during each of the last three years and the current year and its annual growth;
- (b) whether this growth is sufficient to meet the current requirement of steel in the country and its export;
- (c) if not, the financial requirement of this sector for achieving the targets;
- (d) the quantum of crude steel exported during each of the last three years and the current year; and
- (e) the steps being taken by the Government to enhance steel production indigenously?

**Answer**

THE MINISTER OF STEEL (SHRI VIRBHADRA SINGH)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE LOK SABHA STARED QUESTION NO.296 TO BE ANSWERED ON 15TH APRIL, 2010 TABLED BY DR. SANJEEV GANESH NAIK AND SHRI DATTA MEGHE, MEMBERS OF PARLIAMENT REGARDING PRODUCTION OF STEEL.

(a) The requisite information is given below:-

Year	Crude steel Production (in million tonnes)	Annual Growth (%)
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2007-08	53.86	6.0
2008-09	58.44	8.5
2009-10#	64.69	10.7

Source: Joint Plant Committee;  
#provisional

(b) The domestic production and import of steel fulfill the current requirement of steel in the country. The consumption of steel is characterized by the use of finished steel and not by crude steel. The data on production, import, export and consumption of finished steel for the year 2009-10 is given below:-

(in million tonnes) Finished Steel

Production	59.58
Import	7.18
Export	3.16
Consumption	56.32

(c) Steel is a de-regulated sector and the entrepreneurs are free to decide on the capacity expansion and value addition in their steel projects, based upon their commercial judgement. Some of the public sector undertakings under the Ministry of Steel have planned to invest towards expansion of their steel producing capacities. The estimated values of investments are Rs. 59,905 crores by Steel Authority of India Limited (SAIL) and Rs.12,228 crores by Rashtriya Ispat Nigam Limited (RINL). NMDC Ltd. has also planned an investment of Rs. 15,525 crores towards setting up an integrated steel plant.

(d) The total export of finished steel (after value addition) and semi-finished (crude steel), both in absolute and percentage terms, for the last three years is given below:-

Export of steel ( in million tonnes)  
 Year Finished Semi- Total Percentage of  
 Steel finished steel semi-finished  
 steel steel out of  
 total finished  
 steel

2007-08	5.08	0.373	5.453	06.84
2008-09	4.44	0.746	5.186	14.38
2009-10#	3.16	0.380	3.540	10.73

Source: Joint Plant Committee; # = provisional

From the above, it can be seen that the percentage of semi-finished (crude) steel exported out of the country is relatively low.

(e) Since Steel is a deregulated sector, the Government acts as a facilitator for expansion of steel capacity. SAIL is planning for expansion of its capacity from 12.84 million tonnes to 21.4 million tonnes of crude steel. Similarly, RINL is carrying out expansion of its capacity from current 3 million tonnes to 6.3 million tonnes of crude steel. Capacity expansion plans in private sector are also being executed.