

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:124
ANSWERED ON:02.07.2009
INCENTIVE TO STEEL SECTOR
Khairi Shri Chandrakant Bhaurao

Will the Minister of STEEL be pleased to state:

- (a) whether the Government proposes to give more incentives to steel sector in wake of on-going lull in the economy;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor;
- (d) whether the Government is also contemplating upward revision of excise duty on steel; and
- (e) if so, the details thereof and the reasons therefor?

Answer

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

(a) to (c): The Government is closely monitoring the situation arising out of the global economic downturn and is in continuous dialogue with the steel industry. The following measures have already been taken by the Government in view of the current downturn:

- (I) Export Duty on all steel items (except melting scrap) withdrawn w.e.f. 31.10.2008.
- (II) DEPB on steel items restored w.e.f. 14.11.2008.
- (III) Import Duty on iron and non-alloy steel items re-imposed at 5%, w.e.f. 18.11.2008.
- (IV) 'Hot Rolled Coil' brought into restricted category of import w.e.f. 21.11.08
- (V) CENVAT on steel items reduced from 14% to 10% w.e.f. 7.12.2008.
- (VI) Countervailing duty (CVD) on TMT bars and structurals reintroduced w.e.f., 2.1.2009.

(d) and (e) Ministry of Steel has no proposal under its consideration for upward revision of excise duty on steel.