

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:1508

ANSWERED ON:18.11.2010

COMPETITION BETWEEN PUBLIC AND PRIVATE SECTOR STEEL COMPANIES

Mahtab Shri Bhartruhari

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

- (a) whether the public sector steel plants are facing competition from the private sector steel companies in marketing their products in the country;
- (b) if so, the details thereof; and
- (c) the steps taken/proposed to be taken to increase the production capacity of public sector steel plants and to lower the cost of production?

**Answer**

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

(a)&(b): Steel sector is deregulated in the country and the public sector steel plants, including Steel Authority of India Ltd. (SAIL) and Rashtriya Ispat Nigam Ltd. (RINL), are facing competition from the private sector steel companies including secondary steel producers in the indigenous market. They also face competition in the global market from imports.

(c): In order to maintain predominance in the steel sector and to face global competitiveness, SAIL has undertaken Modernisation and Expansion of its integrated steel plants at Bhilai, Bokaro, Rourkela, Durgapur and Burnpur and special steel plant at Salem to enhance its crude steel production capacity from 12.8 Mtpa to 21.4 Mtpa in the current phase by 2012-13. RINL is also in advance stage of implementation of current phase of expansion doubling its crude steel capacity from 2.9 mtpa of crude steel by 2011-12 progressively.

The expansion plans of SAIL and RINL aim at lowering the cost of production and to support higher production volumes by eliminating technological obsolescence, saving energy, enriching product mix, pollution control, developing mines and collieries to meet higher requirement of key inputs. In order to lower the cost of production, RINL is also making efforts to acquire iron ore and coking coal mines besides identifying potential areas of cost reduction.