

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:2707

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PRODUCTION OF STEEL

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

(a) whether the Government proposes to attain self sufficiency in domestic production of steel and also ensure that there is no need for import during the current Five Year Plan;

(b) if so, the details thereof; and

(c) the steps taken by the Government to make the country self-reliant and competitive in the steel sector?

**Answer**

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

(a) Steel consumption in the country is met through domestic production as well as imports. The steel sector in the country is deregulated with a liberalized trade policy. A number of high technology and special steel products are also imported by the consumers to meet their special needs. Therefore, the quantity of import at any point of time will be subjective factor depending upon supply-demand gap and need of the consumers for special steels which are not manufactured in the country.

(b) Steel producers in public and private sectors are carrying out capacity expansion plans. In public sector, Steel Authority of India Ltd. (SAIL) is in the process of expansion of its crude steel making capacity from 12.84 million tonnes to 21.4 million tonnes. Similarly, Rashtriya Ispat Nigam Ltd. (RINL) is carrying out expansion of its crude steel making capacity from the current level of 2.9 million tonnes to 6.3 million tonnes. Capacity expansion plans in private sector are also going along. As per the latest estimates, the crude steel production capacity in the country is likely to reach 120 million tonnes by the end of the current Five Year Plan.

(c) Indian Steel sector is sufficiently self-reliant and competitive as per world standards. Currently, Government of India has taken the following fiscal measures, in order to create a level playing field for the steel producers and consumers:-

(i) Import duty on all steel products is 5%.

(ii) There is no export duty on export of steel products.

(iii) Duty Entitlement Pass Book (DEPB) is applicable on steel sector.

(iv) Central Excise Duty on steel items is 10%.

(v) There is an export duty of 15% on export of iron ore lumps and 5% on export of iron ore fines.