

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:1694

ANSWERED ON:07.03.2011

DEMAND AND SUPPLY OF STEEL

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

- (a) the details of demand and supply of steel during the last year and the current year alongwith the action plan to bridge this gap;
- (b) the ratio of imported and indigenous steel available in the country for the last two years and the current year to meet the increasing demand of steel in the country; and
- (c) the efforts being made by the Government to set up joint ventures for setting up steel plants and proper use of natural resources such as iron ore available in the country?

**Answer**

THE MINISTER OF STATE FOR STEEL(SHRI BENI PRASAD VERMA) (INDEPENDENT CHARGE)

(a)to(c): Data on demand i.e. apparent consumption (inclusive of double counting) and supply i.e. availability for domestic use, after accounting for exports and stock variations, and the gap between demand and supply of finished steel in the country during the last year (i.e. 2009-10) and the current year ( i.e. April-December 2010-11) are given in the table below :-

Year	Finished Steel Availability for Apparent domestic use	Consumption## (million tonnes)	Gap (million tonnes)
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2009-10	56.17 (52.44)	63.55 (58.28)	7.38 (5.84)
Apr-Dec2010#	46.44 (42.05)	51.80 (47.29)	5.36 (5.24)

Source: Joint Plant Committee;

# provisional;## includes double counting; met through imports;figures in () refer to levels of last year

The gap between domestic demand and availability of steel is met through imports.

The ratio of imported and indigenously available (i.e. available for domestic use after accounting for exports and stock variations) finished steel in the country for the last two years and the current year (April-December 2010) is given in the table below:-

Year	Finished Steel Availability for domestic use (million tonnes)	Import (million tonnes)	Ratio of (b)/(a)
2008-09	52.44	5.84	0.11
2009-10	56.17	7.38	0.13
Apr-Dec2010#	46.44 (42.05)	5.36 (5.24)	0.12 (0.12)

Source: Joint Plant Committee; provisional;figures in () refer to levels of last year

Steel is a de-regulated sector. In a de-regulated, liberalized economy, decisions related to setting up of steel projects are taken essentially by the steel producing units depending upon various factors such as commercial merits, market trends, demand and supply etc. The Government in such an open market economy has the role of a facilitator only and in that capacity, it promotes/encourages growth of steel industry through suitable policy measures. The Government has constituted an Inter-Ministerial Group (IMG), under the chairmanship of Secretary (Steel) in 2007, 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.

A public sector company namely NMDC Ltd. is in the process of setting up of 3.0 MTPA green field integrated steel plant at Nagarnar,

Bastar District, Chhattisgarh. Iron Ore for this steel plant is envisaged to be sourced from Bailadila Iron Ore deposit-4 which will be developed as a joint venture company of NMDC and Chhattisgarh Mineral Development Corporation (CMDC). The commissioning of the plant is expected by end of 2014.