

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1765

ANSWERED ON:07.03.2011

SETTING UP OF STEEL PLANTS

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Will the Minister of STEEL be pleased to state:

- (a) the number of steel plants functioning in the country, State-wise and number of units closed down during the last three years;
- (b) the reasons for closing down of these units and follow up action taken by the Government to revive the same;
- (c) whether the Government has given clearance for setting up of a steel plant in Orissa particularly Pohang Iron and Steel Company; and
- (d) if so, the number of licences issued/pending for setting up of steel plants during the last three years and the current year?

Answer

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

(a)&(b): The State-wise distribution of Main and Major steel plants and small-to-medium scale steel plants functioning in the country is given in Annexure-I and Annexure-II respectively.

As regards number of closed down steel units, Steel is a de-regulated sector; therefore, no steel unit is required to furnish details regarding closing down of a unit to the Ministry of Steel. In a de-regulated, liberalized economy, decision related to closing down or reviving of a steel unit is taken essentially by the individual steel producing unit. The Government in such a market economy has the role of a facilitator only – it provides the overall policy environment to promote growth of industry. In order to promote the domestic steel industry, the Government has framed the National Steel Policy, 2005 and 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.

(c)&(d): According to New Industrial Policy announced in July, 1991, steel industry has been de-licensed and removed from the list of industries reserved for the public sector subject to certain locational restrictions. No Industrial license is, therefore, required for setting up steel plants under the Industrial (Development & Regulation) Act, 1951 and the entrepreneurs are free to set up such plants anywhere in the country except in the restricted locations based on their commercial judgement. However, as per the information available in the Ministry of Steel, Posco India Project (P) Ltd. has signed a Memorandum of Understanding (MoU) with the State Government of Orissa on 22.6.2005 to set up a 12 million tonnes integrated steel plant at Paradeep, district Jagatsinghpur, Orissa.