

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

STARRED QUESTION NO:475

ANSWERED ON:06.08.2009

IMPORT OF STEEL

Chitthan Shri N.S.V.;Maadam Shri Vikrambhai Arjanbhai

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

- (a) whether there has been a shortfall in the estimated indigenous production of iron and steel in the country for the past three years;
- (b) if so, the details thereof;
- (c) whether imports are resorted to bridge the gap between estimated production and anticipated demand in the domestic sector;
- (d) if so, the quantum of iron and steel imported during each of the last three years and the current year indicating the sources of such import;
- (e) the amount of foreign exchange spent by the Government for such imports during the said period; and
- (f) the precise steps taken/proposed to be taken by the Union Government to make the country self-sufficient in production of iron and steel?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI VIRBHADRA SINGH)

(a)to(f): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (F) OF LOK SABHA STARRED QUESTION NO.475 TO BE ANSWERED ON 6TH AUGUST, 2009 BY SHRI N.S.V. CHITTHAN AND SHRI AHIR VIKRAMBHAI ARJANBHAI MAADAM, MEMBERS OF PARLIAMENT REGARDING IMPORT OF STEEL

(a)to(c): The production of finished steel in the country has been consistently growing over the past three years. However, as the steel consumption in the country is growing at a rate faster than the production, the additional requirement is met through imports, in order to meet the domestic demand. Apart from this, steel imports are also resorted to make available certain specific grades of steel normally not available in the country to meet the high-end applications. The details of production and consumption of finished steel during the last three years and the first quarter of the current year are given below:-

(in million tonnes)

Year    Production    Consumption

Quantity %Growth    Quantity %Growth

2006-07    52.53    12.80    46.78    12.91

2007-08    56.08    6.76    52.12    11.42

2008-09    56.42    0.61    52.05    -0.13

April-June 08    13.53    12.20

April-June 09    13.98    3.33    12.83    5.16

(d) The quantity of steel imported during each of the last three years and in the first quarter of the current year is as under:-

Year    Total finished steel import (Unit: million tonnes)

2006-07 4.93  
2007-08 7.03  
2008-09# 5.72  
April-June 2009-10# 1.41

Source: Joint Plant Committee ; #=provisional

Steel is imported primarily from China, Korea, Japan, Russia, Ukraine, Germany, Belgium, Romania, United States of America and Saudi Arabia.

(e) The Government neither imports steel directly for its consumption nor canalizes such imports. However, the Rupee equivalent value of foreign exchange of import of finished steel during the last three years and the first quarter of the current year is as under:

Year Value of imports (total finished steel import)  
(Unit: Rs crores)

2006-07 16,083  
2007-08 24,952  
2008-09# 29,728  
April-June 2009-10# 5,351

Source: Joint Plant Committee ; #=provisional

(f) Steel being a deregulated sector decisions related to production are taken essentially by the steel producing units. The Government acts as a facilitator only and provides the overall policy environment to promote industry growth. In order to promote the domestic steel industry and to meet the projected demand, the Government has framed the National Steel Policy, 2005 and constituted an Inter-Ministerial Group (IMG), under the chairmanship of Secretary(Steel), 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.