

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:3666  
ANSWERED ON:30.07.2009  
PRODUCTION OF STEEL ITEMS  
Rao Shri Kavuri Samba Siva

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

- (a) the details of production of HR Coil and other steel products by Indian steel manufacturers and its demand by different manufacturing and infrastructure sectors;
- (b) the reasons for imposing import duty on steel, blocking competition from imports, and causing adverse impact on efforts directed at stimulating demand and economy especially of products of auto industry, electrical equipment, furniture etc.;
- (c) whether the Government proposes to encourage increased production of steel and make it available alongwith imported steel at reasonable prices to step up investment in building, infrastructure and manufacturing industries; and
- (d) if so, the details thereof?

**Answer**

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

- (a) The details of production for sale and overall consumption of HR coil and other finished steel products in the country during the last three years i.e. 2006-07, 2007-08, 2008-09 and from April to May, 2009-10 are given in Annexures-I, II and III.
- (b) In November 2008, government had imposed a 5% import duty on pig iron, semi-finished and finished flat and long products of steel. This was done in order to discourage inflow of steel at un-competitive prices/rates from steel-surplus economies facing recessionary trends and thereby safeguard domestic interests.
- (c)&(d): In a de-regulated, liberalized economy, production of steel is influenced primarily by demand conditions (both local and global markets) and also by availability of raw materials to achieve the required level of production. Decisions related to production are taken essentially by the steel producing units. The Government in such a market set-up has the role of a facilitator only – it 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 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.