

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:4360

ANSWERED ON:29.08.2011

STEEL PRODUCTION

Anuragi Shri Ghansyam ;Chitthan Shri N.S.V.;Dubey Shri Nishikant ;Naranbhai Shri Kachhadia;Pratapsinh Shri Chauhan
Prabhatsinh;Thamaraiselvan Shri R.

Will the Minister of STEEL be pleased to state:

- (a) the production and consumption of steel during each of the last three years and the current year and its annual percentage growth in the country;
- (b) whether the present growth rate and the quantum of steel produced in the country is sufficient to meet the current and future requirement of steel in the country;
- (c) the value and quantity of steel produced, consumed and imported/ exported and revenue generated from them during the last three years both by the public sector and private sector plants;
- (d) the steps taken by the Government to increase the steel production in the country and become one of the largest steel producers in the world; and
- (e) whether foreign countries have also made new investments in the steel sector during the said period and if so, the details thereof?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a) Data on production for sale and real consumption of finished steel in the years 2008-09, 2009-10, 2010-11 and first quarter of the current year is given in the table below:-

Period Finished Steel (million tonnes)

Production for Sale Real Consumption

Quantity % change Quantity % change
over last over last
year year

2008-09	57.16	1.9	52.35	0.43
2009-10	60.62	6.1	59.34	13.3
2010-11#	66.01	8.9	65.61	10.6
April-June 2011#	17.05		16.46	

Source : Joint Plant Committee (JPC)

= Provisional

(b) Yes, Madam.

(c) Data pertaining to domestic production for sale, export and import and value of imports of finished steel for the years 2008-09, 2009-10, 2010-11 are presented in the table below:-

Year Finished Steel (million tonnes)

	Production for sale finished steel (Rs. In Crores)	Import	Export	Value of Import of
2008-09	57.16	5.84	4.44	30714
2009-10	60.62	7.38	3.25	25623
2010-11#	66.01	6.80	3.46	26387

Source : Joint Plant Committee (JPC)

= Provisional

(d) The role of Government in a liberalized economic/market scenario like India is that of a facilitator. In this capacity, the Government has released the National Steel Policy which has laid down the broad roadmap for encouraging supply side growth for the Indian steel industry. An Inter Ministerial Group (IMG) has also been constituted in the Ministry of Steel having representation from the concerned Ministries / Departments and State Governments, to monitor and coordinate issues concerning major steel investments. The Group meets regularly to monitor and review coordination problems concerning steel investments.

(e) Under the extant Foreign Direct Investment (FDI) Policy, 100% FDI is allowed in the steel sector. Two of the major foreign Companies have proposed several steel investments in the country. These are –

(i) Arcelor-Mittal India Limited's 12 million tonnes per annum (mtpa) steel unit in Jharkhand, 12 mtpa steel unit in Orissa and 6 mtpa in Karnataka.

(ii) Posco India Limited's 12 million tonne per annum (mtpa) steel unit in Orissa, and 6 mtpa steel unit in Karnataka.

All these projects are at preliminary stages of their progress.