

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:5209

ANSWERED ON:05.09.2011

FOREIGN INVESTMENT IN STEEL SECTOR

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Will the Minister of STEEL be pleased to state:

- (a) whether foreign investments have increased in the Indian Steel Sector;
- (b) if so, the details of proposals finalised during the last three years;
- (c) the investment involved in each of these proposals; and
- (d) the steps taken by the Government to secure foreign as well as domestic investments in the sector?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a) Foreign direct investment inflows into the country in the metallurgical sector during the last three financial years is given below, which shows that there is a net increase in foreign direct investment during 2010-11:-

Year Amount of FDI Inflows

In Rs. Crores In US\$ Million

2008-09	4,152.56	959.94
2009-10	1,999.30	419.88
2010-11	5,023.34	1098.14

Source : Department of Industrial Policy & Promotion, Ministry of Commerce.

(b)to(c): Following are the major investments proposed by foreign steel producers in the Indian steel industry in the last three years:-

Proposals to set up steel plants in India

Producer	Proposed Annual Capacity	State	Proposed Investment (Rs cr)
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Posco	Orissa	12 mtpa	52,000
Posco	Karnataka	6 mtpa	32,000
Arcelor-Mittal	Orissa	12 mtpa	40,000
Arcelor-Mittal	Jharkhand	12 mtpa	50,000
Arcelor-Mittal	Karnataka	6 mtpa	30,000
NMDC-Severstal	Karnataka	5 mtpa	Both will jointly invest Rs 9,000 cr.
Tata Steel-Nippon Steel	Jharkhand	60,000 tonnes	2300

In addition to these, the following are some of the other investments made by foreign investors in the Indian steel industry:

- Acquisition of 14.99 per cent stake in JSW Steel Ltd by JFE Holdings of Japan
- Acquisition of 29 per cent stake in Uttam Galva Steels Ltd by Arcelor-Mittal

(d) In order to monitor and coordinate various issues, concerning steel major investments in the country, an Inter Ministerial Group (IMG) has been constituted in July 2007 under the Chairmanship of Secretary (Steel), represented by other Ministries / Departments of the Central Government such as Industrial Policy & Promotion, Railways, Shipping, Road Transport & Highways, Mines, Environment & Forests, as well as the Chief Secretaries of the concerned State Governments. Inter Ministerial Group (IMG) on steel sector is a forum to coordinate, monitor and review issues affecting steel sector investments. The individual issues raised during the Inter Ministerial Group meetings are further dealt by the concerned Ministries/Departments and State Governments in accordance with the provision of the extant rules and policies.