

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:953
ANSWERED ON:28.11.2011
IMPACT OF ECONOMIC SLOWDOWN ON SAIL
Rajesh Shri M. B.

Will the Minister of STEEL be pleased to state:

- (a) whether the global economic slow down has impacted the Steel Authority of India (SAIL) leading to a sharp fall in its profits recently;
- (b) if so, the details thereof;
- (c) whether SAIL has planned any expansion programs including appointment of dealers in rural areas;
- (d) if so, the details thereof; and
- (e) whether the SAIL has any plan to launch a massive recruitment drive and if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): While the onset of global economic slowdown has played a role to an extent in keeping domestic and international steel prices subdued, it is however, difficult to assess the exact impact of global economic slowdown on the financial performance of the Steel Authority of India Ltd. (SAIL). There has been a 41% decline in the profit after tax of SAIL during April - September 2011-12 as compared to the corresponding period last year, which can mainly be attributed to input cost escalations and appreciation of US Dollar against the Indian Rupee.

(c)&(d): SAIL is implementing a modernization and expansion plan at its five integrated steel plants at Bhilai, Bokaro, Rourkela, Durgapur, Burnpur and special steel plant at Salem to enhance crude steel production capacity from present 12.8 million tonnes per annum to 21.40 million tonnes per annum in the current phase. The indicative investment for the current Phase of modernization and expansion is ` 61,870 crore, in addition to a provision of ` 10,264 crore towards investment in development of mines.

In order to enhance its presence in rural areas, SAIL has plans to extend its existing dealer network by appointing rural dealers at block, tehsil and taluka levels in a phased manner.

(e) No, Madam. SAIL emphasises on achieving higher labour productivity and manpower rightsizing through separations and selective recruitments. Re-training and re-deployment and multi-skill training will also facilitate in meeting skilled/semi- skilled manpower requirement from the existing employees.