

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:864  
ANSWERED ON:19.03.2012  
DEMAND AND SUPPLY OF STEEL  
M.Thambidurai Dr.

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

- (a) whether there is a huge gap between demand and supply of steel resulting in dependence on imported steel in the country;
- (b) if so, the details thereof;
- (c) whether the Government has increased duty on export of iron ore to discourage its export;
- (d) if so, the details thereof;
- (e) whether the Government proposes to introduce a new National Steel Policy; and
- (f) if so, the details thereof?

**Answer**

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a) & (b): There exists a gap between domestic demand and domestic supply of steel. Due to relatively high growth in steel consumption than production, India became a net importer of steel since the year 2007-08. Certain special varieties of steel are imported to meet specific needs of end users. Import of steel also takes place to meet seasonal and sudden demands. However, with continuous increase in steel production in the country the net imports have fallen to a level of 2.503 million tonnes in first 11 months of the current financial year.

(c) & (d): The export duty on all grades of iron ore (except pellets) has been increased from 20% to 30% w.e.f. 30.12.2011 with a view to discourage its export.

(e) & (f): In view of changed economic environment, both globally as well as domestically, Ministry of Steel has initiated the process of drafting the New National Steel Policy in place of existing National Steel Policy 2005. An Apex Committee, headed by Secretary, Ministry of Steel and consisting of representatives of Planning Commission, Ministries/Departments of Central Government and concerned State Governments has been constituted for monitoring the process of formulation of the New National Steel Policy. Four Task Forces have been constituted under the Chairmanship of eminent experts to study, analyze, consult and formulate draft policy documents in different aspects of the subject.