

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:4085

ANSWERED ON:30.04.2012

GLOBAL STEEL PRODUCTION

Chanabasappa Shri Udasi Shivkumar;Patil Shri A.T. Nana

Will the Minister of STEEL be pleased to state:

- (a) whether according to the report of the World Steel Association there has been a progressive decline in the global production of steel in the recent months;
- (b) if so, the details thereof;
- (c) whether the Government has assessed the impact of the fall in global production of steel on the steel industry as well as the perspective policy pursued by the Government;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether any concrete measures have taken to expand the capacity of the steel plants in the country; and
- (f) if so, the details thereof and the steps taken by the Government to protect the country's interest in this regard?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): The world crude steel production fell gradually from the month of May 2011 to touch the lowest level in November 2011. However, since then, production has been on a rising trend. Monthly output of crude steel (Global) of the last six months is indicated below:-

(In million tonnes)

Oct. 2011	Nov. 2011	Dec. 2011	Jan. 2012	Feb. 2012	March 2012
123.533	115.368	117.058	123.649	120.892	132.198

Source: World Steel Association

(c)&(d): The government and various research agencies under it regularly monitor the developments in the world steel industry. The government does not intervene in the market as there are no restrictions on external trade in steel. However, as and when there is a need the government takes appropriate fiscal measures to mitigate any risk to the domestic industry.

(e)&(f): Since steel is a deregulated sector, Ministry of Steel has no regulatory powers. Investments in the steel sector are decided on the commercial prudence of the investor and the prevailing market condition i.e., demand –supply condition. Therefore, any decision regarding capacity expansion is that of the steel investors. Ministry of Steel plays the role of facilitator and coordinator between the steel investors and the Central /State machinery. It intervenes in the process when issues are brought before it.

For this purpose an Inter-Ministerial Group (IMG) has been constituted with the job of monitoring and coordinating on the issues concerning major steel investments. IMG has no statutory powers to issue administrative directives. The IMG has been set up under the Chairmanship of Secretary (Steel) with Members from Ministries of Mines, Coal, Environment & Forests, Railways, Road Transport & Highways and Shipping and Chief Secretaries of concerned State Governments.