

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:4995

ANSWERED ON:07.05.2012

PRODUCTION OF STEEL PLANTS

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

- (a) whether there is rise in the demand of steel across the country particularly in Bihar and corresponding shortfall in its estimated production leading to greater dependence on import of steel;
- (b) if so, the details thereof and the reasons therefor alongwith the details of demand, production and consumption of pig iron and finished steel during each of the last three years and its annual percentage growth in the country, State-wise;
- (c) the value and quantity of steel imported and exported and revenue generated from them;
- (d) whether India is the fifth largest producer of crude steel in the world and if so, the additional production capacity generated both by the public and private sector plants during the said period;
- (e) whether there has been decline in the production of Steel by the Bokaro Steel Plant and if so, the reasons therefor; and
- (f) the steps taken by the Government to increase the steel production and to meet the increasing demand of steel in the country?

**Answer**

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): Demand of steel which is indicated by its real consumption is determined by domestic production of steel plus imports and minus exports. Joint Plant Committee (JPC) data for total finished steel shows that during the last three years, 2009-10, 2010-11 and 2011-12, Compounded Annual Growth Rate (CAGR) in real consumption has been 10.6% which has exceeded growth in production for sale (8.7%) during this period. Imports of total finished steel have grown at a CAGR of 5.3%. Besides meeting the domestic demand-supply mismatch (if any), steel imports take place for a variety of other reasons like non-availability or limited availability of requisite grades/sizes, level of customs duty, effect of relative prices (domestic market vs. imported price).

Data on real consumption and production for sale of total finished steel and pig iron during each of the last three years and its annual percentage growth in the country are in Annexure-1. Annexure-2 indicates the state-wise details on production for sale of pig iron and key categories of total finished steel like long products and hot rolled flat products and overall data for these items for the Main Producers relating to the years 2009-10 and 2010-11.

(c) Data on the quantity and value of total finished steel imported and exported are given below:-

Year Total finished steel (Qty: million tonnes or mt; Value in Rs. crore)				
Import		Export		
	Qty	Value	Qty	Value
2009-10	7.38	25,623	3.25	13,821
2010-11	6.66	26,388	3.64	17,511
2011-12#	6.83	32,720	4.04	19,922

Source: Joint Plant Committee(JPC) ;

# provisional

(d) India is the 4th largest crude steel producer in the world. To meet the increasing domestic demand, Indian Steel entrepreneurs have announced large-scale expansion of steel making capacity along with upgradation / modernization of existing facilities. Accordingly, the steel production capacity has increased from 66.34 MT in 2008-09 to 89.29 per annum (provisional) in 2011-12 both in public and private sectors combined.

(e) Production of crude steel by the Bokaro Steel Plant of Steel Authority of India Ltd. (SAIL) during the year 2011-12 was 3.647 million tonnes, a growth of 1.5% over the last year (2010-11). However, in March, 2012 crude steel production of Bokaro Steel Plant was 0.32 million tonnes (Provisional), a decline of 6.2% over March, 2011, which may be due to the fact that Bokaro Steel Plant is currently undergoing upgradation / expansion as part of the overall expansion plan of SAIL.

(f) Steel is a de-regulated sector. In a de-regulated, open market economy, the role of Government is that of a facilitator and in that capacity, it promotes/encourages growth of steel industry through suitable policy measures. In order to promote the domestic steel industry, the Government has framed the National Steel Policy and constituted an Inter-Ministerial Group (IMG) to monitor and coordinate the issues concerning major steel investments in the country related to infrastructure, raw material supply, environmental clearance and other resource constraints.