

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:6157  
ANSWERED ON:14.05.2012  
OVERSEAS INVESTMENT IN STEEL SECTOR  
Biju Shri P. K.;Dhurve Jyoti;Naranbhai Shri Kachhadia

**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 the investments made by foreign steel companies in the steel production alongwith the proposals finalised during the last three years;
- (c) the investment involved in each of these proposals alongwith the percentage of contribution of foreign companies in the total steel produced in the country;
- (d) whether some other countries/overseas companies have expressed their desire to invest in the steel sector;
- (e) if so, the details thereof; and
- (f) the steps taken by the Government to facilitate, attract and secure further investments in the sector?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI BENI PRASAD VERMA)

(a) There is a net increase in foreign direct investment inflows into the country in the metallurgical sector, including steel sector, during the last three financial years. The details are given below:

Year Amount of FDI inflows

In Rs. Crores    In US\$ Million

2009 - 10    1,999.30    419.88

2010 - 11    5,023.34    1098.14

2011 - 12    8,242.42    1,765.07

(Source: Department of Industrial Policy & Promotion, Ministry of Commerce)

(b)to(e): 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 State Capacity | Proposed Annual Investment (Rs. Cr.) | Proposed |
|----------|-------------------------|--------------------------------------|----------|
|----------|-------------------------|--------------------------------------|----------|

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 3 mtpa Both will  
jointly invest  
Rs. 9,000 crore

Tata Steel- Jharkhand 60,000 tonnes 2300  
Nippon Steel

(Source: Joint Plant Committee)

In addition to these, the following are some of the major 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.

(f) In order to monitor and coordinate various issues concerning major steel investments in the country, an Inter-Ministerial Group (IMG) has been constituted. Inter Ministerial Group (IMG) on steel sector is a forum to coordinate, monitor and review issues affecting major steel sector investments. The individual issues raised during the IMG meetings are further dealt by the concerned Ministries/Departments and State Governments in accordance with the provision of the extant rules and policies.