

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:2436

ANSWERED ON:27.08.2012

CHEAP IMPORTS

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

- (a) whether the domestic steel industry has been adversely affected due to cheap imports and the raw material scarcity;
- (b) if so, the details thereof along with the corrective measures being taken by the Government in this regard;
- (c) whether there has been instances of exemptions from enhanced duty being granted to the steel being imported from China;
- (d) if so, the reasons therefor along with its impact on the domestic manufacturers and also on imports from other countries; and
- (e) the efforts being made by the Government to overcome such loopholes and promote the indigenous steel manufactures to reduce prices of steel?

**Answer**

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): The total import of finished steel during the year 2011-12 has marginally increased by about 2.4% to 6.83 million tonnes in comparison to 6.66 million tonnes during 2010-11.

The production of iron ore in the country is in excess of the total estimated domestic consumption by the iron and steel industry and overall, there is no scarcity of iron ore for the domestic iron and steel industry. However, there are constraints regarding availability of quality coking coal, another major raw material for the steel industry, in the country and presently, a major portion of coking coal requirement of domestic steel industry is being fulfilled through imports.

To improve availability of iron ore to domestic iron and steel industry at affordable price, the Government has increased the export duty on iron ore from 20% ad valorem to 30% ad valorem on all grades of iron ore (except pellets) with effect from 30.12.2011. Besides, import duty on coking coal has been reduced to zero.

(c) No, Madam.

(d) Does not arise.

(e) Steel is a deregulated sector. Accordingly, the price of steel in the country is decided by the individual producers based on various market conditions including demand supply scenario, cost of raw materials and other input costs. Considering the increasing steel demand in the domestic market, Government has taken various fiscal steps as mentioned below to maintain a steady supply position in the domestic market as also to boost steel production in the country:

(i) Import duty on raw materials such as coking coal and steel melting scrap has been reduced to zero.

(ii) Import duty on steam coal has been reduced to nil with effect from 17th March, 2012.

(iii) Export duty on all grades and varieties of iron ore (except pellets) has been increased from 20% to 30% with effect from 30th December, 2011.

(iv) Export duty on chrome ore has been increased from Rs. 3000/- per tonne to 30% ad valorem with effect from 17th March, 2012.

(v) Import duty on various steel items has been kept between 5% to 7.5%.