GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:2731
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INVESTMENT IN STEEL SECTOR
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Will the Minister of STEEL be pleased to state:

(a) whether India is fully equipped to handle the big ticket investments in the steel sector and if so, the details thereof and if not, the reasons therefor;

(b) the countries which have expressed interest in investing in the steel sector along with the steps taken/being taken by the Government to meet the requirements of the steel sector particularly of the proposed mega steel projects during the Twelfth Five Year Plan;

(c) whether the Government has issued any guidelines to the public sector steel plants for enhancing the production and improving the quality of steel produced by them;

(d) if so, the details thereof along with the action taken by these plants in this regard and success achieved by these plants;

(e) whether the Government proposes to bring out a new National Steel Policy to meet the new challenges being faced by the steel sector; and

(f) if so, the details thereof along with the present status and if not, the reasons therefor?

Answer

THE MINISTER OF STEEL(SHRI BENI PRASAD VERMA)

(a) Steel is a deregulated sector. The role of Government is that of a facilitator. The Government promotes /encourages growth of steel industry through suitable policy measures based on its assessment of industry performance. As far as the setting up of steel investment projects is concerned, the size and type of steel projects are decided by the individual investors on techno-economic considerations. Currently, a number of major steel investment projects are at various stages of progress, both in Greenfield (new projects) and Brownfield (capacity expansion of existing plants) areas. Based on the information available in the Ministry, the likely scenario of steel production capacity in India by the year 2017-18 is given at the Annexure.

(b) As per information available in the Ministry of Steel, no foreign country per se has expressed interest in investing in the Steel sector directly, however, some foreign companies like POSCO and Arcelor Mittal have shown interest in investing in this sector. Keeping in view the importance of the implementation of major steel projects in the country, an Inter-Ministerial Group (IMG), under the Chairmanship of the Secretary (Steel), has been constituted (in the Ministry of Steel) to monitor and coordinate major steel investments in the country.

(c)&(d): Public Sector Undertakings, viz. Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL), have launched their own expansion/ modernization programmes to augment their steel production capacity and to adopt modern technology. Government monitors the performance of these companies by way of signing of MoUs and holding performance review meetings at regular intervals.

(e)&(f): Yes Madam. Since the formulation of National Steel Policy 2005, dynamics in the steel sector have changed considerably. Therefore, it has been decided to formulate a New National Steel Policy. Four Task Forces have been constituted to study, analyze and formulate draft new Policy documents covering different aspects of the subject. The Task Forces have submitted their reports and the same are under consideration of the Government. After detailed discussions with various stakeholders and concerned Ministries/Departments, a final view in this matter will be taken in due course.

Annexure

The major steel producers who are already in the process of capacity expansion and adding new capacities are:-

(Crude Steel capacity in million tonne)

S.No.	Investor	Existing Capacity#	Brownfield Expansion	Proposed Capacity

upto 2017-18

1. SAIL 12.84 21.40
2. RINL 3.00 7.00
3. Tata Steel Limited 6.8 9.70
4. Essar Steel Limited 10.00 10.00
5. JSW Steel Limited 11.00 12.00
6. Jindal Steel & Power Limited 3.50 4.25
7 JSW Ispat Steel Limited 3.30 4.50
8. Bhushan Steel Limited 3.26 5.20
9. Monnet Ispat & Energy Ltd. 0.30 1.50
10. Visa Steel Ltd. 0.50 2.50

(# As per the latest information available in the Ministry)