

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1138
ANSWERED ON:04.03.2013
MOUS FOR SETTING UP OF STEEL PLANTS
Pakkirappa Shri S.

Will the Minister of STEEL be pleased to state:

- (a) the details of Memorandum of Understandings (MoUs) signed for setting up of iron and steel plants across the country during each of the last three years and the current year, State-wise and project-wise;
- (b) whether there has been an inordinate delay in the execution of these MoUs and many of the projects are still in their preliminary stage;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether the Ministry has stipulated any time frame within which these plants are likely to commence production;
- (e) if so, the details thereof and if not, the reasons therefor; and
- (f) the role played by the Ministry in facilitating the commencement of production in such plants for which MoUs have been signed?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a) As per the available information in the Ministry of Steel, the details of MoUs signed by various State Governments during the last three years and the current year, State-wise and project-wise are given at Annexure-A.

(b)&(c): Several companies could not start setting up of plants as per their respective MoUs. Major factors limiting the progress of the steel projects in the country include non-availability of adequate land, raw material linkages, environmental clearances besides the effect of market downswings and opposition by the local people. Progress of each and every steel project is not monitored by the Ministry of Steel. For some major projects which are delayed, the details are given at Annexure-B.

(d)&(e): Steel is a de-regulated sector. Decisions regarding setting up of steel plants in the country are taken by the steel investors depending upon commercial viability of the project. The role of Government is that of facilitator only. Hence, no time frame can be set by the Ministry for specific plants in the private sector to commence production.

(f) For promoting investment in the sector and to increase the overall steel production of the country, the Government has undertaken the following steps:

i) An Inter-Ministerial Group (IMG) has been set up in the Ministry of Steel which is vested with the job of monitoring and co-ordinating the issues concerning major steel investments both in public and private sectors. The meetings of IMG are held and follow up actions are taken on regular basis.

ii) Public Sector Undertakings under this Ministry namely SAIL, RINL and NMDC are in the process of implementing scale expansions in the crude /finished steel capacity.

iii) Import of critical raw material for steel industry such as coking coal, non- coking coal, scrap etc. are subject to zero or very low customs duty.

iv) To increase availability of iron ore to the domestic industry and to encourage domestic value addition, duty on export of iron ore (except pellets) has been increased to 30%.