

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:407
ANSWERED ON:17.12.2009
PERFORMANCE OF STEEL INDUSTRY
Singh Dr. Raghuvansh Prasad

Will the Minister of STEEL be pleased to state:

- (a) whether the Government has recently reviewed the performance of Steel Industry in public and private sectors in terms of achievement of physical and financial targets;
- (b) if so, the details thereof;
- (c) the details of the major policy decisions taken in the recent past or under the consideration of the Government to boost the sagging performance of the steel sector;
- (d) the total investment made during the last three years and the current year for modernization of steel sector PSUs, PSU-wise; and
- (e) the progress made by each PSU during the said period?

Answer

THE MINISTER OF STEEL (SHRI VIRBHADRA SINGH)

(a)to(e): A statement is laid on the Table of the Lok Sabha

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE LOK SABHA STARRED QUESTION NO.407 TO BE ANSWERED ON 17TH DECEMBER, 2009 TABLED BY DR. RAGHUVANSH PRASAD SINGH, MEMBER OF PARLIAMENT REGARDING PERFORMANCE OF STEEL INDUSTRY.

(a)&(b): The performance of the Steel Industry in the Public Sector is reviewed in the Ministry of Steel by the Steel Minister and the Secretary (Steel) at periodic intervals. The performance of the Private Sector is not directly reviewed in the Ministry, but an Inter Ministerial Group (IMG) headed by the Secretary (Steel) and comprising the concerned Central Ministries and State Governments periodically monitors issues relating to major steel investments.

(c) The Steel Industry is constantly affected by global forces of supply and demand and the Government periodically intervenes to assist the Indian Steel Industry in its pursuit of growth. Despite the global economic downturn, the production of steel in the country has increased by 3 % and the consumption of steel has also increased by 8.1 % during the period April-November 2009. Some of the key measures recently taken by the Government to assist the Indian Steel Industry are appended in the Annexure.

(d) The total investment made during the last three years and the current year for modernization of steel PSUs is as follows:

(Rs. in crore)

Name of the PSU	2006-07	2007-08	2008-09	2009-10
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Steel Authority of India Limited (SAIL)	101	1060	4195	6137
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Rashtriya Ispat Nigam Limited (RINL)	422	1309	2886	1403
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(e) SAIL has placed orders for major packages of modernization and expansion of their IISCO Steel Plant and Salem Steel Plant and some packages of Bhilai, Rourkela, Bokaro and Durgapur Steel Plants. These ordered packages are under various stages of execution.

RINL has also placed orders for all major packages and the packages are at various stages of execution.

Annexure

Some of the key measures recently taken by the Government to assist the Indian Steel Industry:

- i) Export Duty on all steel items except melting scrap withdrawn with effect from 31.10.2008;
- ii) Duty Entitlement Pass Book (DEPB) on steel items restored with effect from 14.11.2008;
- iii) Import Duty on iron and non-alloy steel items (except steel melting scrap) re-imposed as 5% with effect from 18.11.2008;
- iv) Hot Rolled Coil brought into restricted category of import with effect from 21.12.2008;
- v) Central Value Added Tax (CENVAT) on steel items reduced from 14% to 10% with effect from 7.12.2008;
- vi) Countervailing duty (CVD) on Thermo Mechanically Treated (TMT) bars and structural reintroduced with effect from 2.1.2009;