

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2965
ANSWERED ON:10.02.2014
STEEL PRODUCTION TARGET
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Will the Minister of STEEL be pleased to state:

- (a) the details of the target set and achieved in production, domestic consumption and export of steel during each of the last three years along with the revised target set for the next three years;
- (b) whether the Government has taken any step to augment the production and export of steel in the coming years and if so, the details thereof;
- (c) whether the Government has set up Steel Innovation Council and proposes to unveil new National Steel Policy and if so, the details and the features thereof;
- (d) whether there has been any shortfall in the new investments in the steel sector in the recent past and if so, the details thereof and the reasons therefor; and
- (e) the steps being taken by the Government to boost domestic investment along with efforts being made to induce foreign direct investment in the steel sector?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

- (a) The details of quantity of finished steel production for sale, real consumption and export are given below:-

Total Finished Steel (Alloy + Non-Alloy) (in million tonnes)			
Year	Production for sale	Export	Real Consumption
2010-11	68.62	3.64	66.42
2011-12	75.69	4.59	71.02
2012-13	81.68	5.37	73.48

Source : Joint Plant Committee (JPC)

The Government of India does not set any target for production, domestic consumption and export of steel as steel is a deregulated sector. For the purpose of showing a roadmap, based on the projected GDP growth and a number of other economic and industry perceptions, the demand and supply of steel are estimated/forecast as a part of routine research and planning exercises. However, such projections are not targets. The realisation of the forecast numbers depends on the development in the economy and related areas.

- (b) The Government has taken the following steps:-

- (i) An Inter Ministerial Group (IMG) has been set up in the Ministry of Steel for effective coordination and expediting implementation of various investment projects in the steel sector.
- (ii) A Project Monitoring Group (PMG) has been constituted under the Cabinet Secretariat to fast track various clearances / resolution of issues delaying the investments of Rs. 1000 crores or more in the manufacturing / infrastructure sector including the steel sector.
- (iii) Import of critical raw materials for steel industry such as coking coal, non-coking coal and scrap are subject to zero or very low levels of custom duty.
- (iv) To increase domestic value addition and improve iron ore availability for domestic steel industry, duty on export of iron ore has been increased to 30%. Recently, the Government has imposed export duty @ 5% ad-valorem on export of iron ore pellets.

(c) A draft new National Steel Policy is under preparation and is undergoing consultation prior to finalization.

(d) Government does not have any specific information on this aspect.

(e) As far as domestic investment is concerned, the Public Sector Undertakings (PSUs) namely SAIL, RINL and NMDC are in the process of implementing significant expansion in the crude/finished steel capacities. As far as foreign investment is concerned, besides putting in place an attractive and investment-friendly policy with a high degree of automaticity, Government has also announced a number of measures to accelerate the demand in the economy which would enable India to continue as an attractive investment destination. The Government of India continues to make efforts to increase economic cooperation with the developing as well as developed countries through different fora such as Joint Commissions / Joint Committees, other bilateral channels like interaction with the delegations visiting the country and organizing visits abroad for discussions on issues of mutual interest and business/investment meets between Indian and foreign entrepreneurs to stimulate foreign investment into India. The Government also undertakes investment promotion activities by organizing events such as 'Destination India' and 'Invest India' in various countries with FDI potential to create awareness about the investment climate and opportunities in India, as well as to provide support to potential investors. The Government has announced the setting up of 'Invest India', a joint venture company between the Department of Industrial Policy & Promotion and FICCI, as a not-for-profit, single window facilitator, for prospective overseas investors and to act as a structured mechanism to attract investment.