

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:3207
ANSWERED ON:16.03.2015
DEVELOPMENT OF STEEL SECTOR
Chandumajra Shri Prem Singh;Hegde Shri Anant Kumar Dattatreya

Will the Minister of STEEL be pleased to state:

- (a) whether the steel manufacturing industry in the country is getting dependent on the Government of India for financial assistance due to its being non-competitive in the International market;
- (b) if so, the details thereof and the reasons therefor along with the reaction of the Government thereto;
- (c) whether the steel sector is getting the adequate raw material from the domestic resources;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the steps taken by the Government to enhance the capabilities of the Indian Steel sector to compete with the International market?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI VISHNU DEO SAI)

(a)&(b): Steel is a deregulated sector in India. Decisions on investment in this sector are taken by individual investors, both the private and the Central Public Sector Enterprises, based on the commercial prudence and market dynamics from their own equity and debt without depending on Government of India. Ministry of Steel plays the role of a facilitator and coordinator between steel investors and the other Ministries in Government of India and State governments.

(c)&(d): There is sufficient production of iron ore to meet the current demand of steel industry in the country. However, there are regional shortage of iron ore due to Supreme Court decisions regarding lease renewal in the states of Goa and Odisha and cancellation of mining leases in the State of Karnataka. Production and reported consumption of Iron Ore during last few years is as following:-

(In million Tonnes)
YEAR PRODUCTION REPORTED
CONSUMPTION

2011-12	168.58	100.57
2012-13	136.62	103.40
2013-14 (P)	152.43	110.50

(Source: Indian Bureau of Mines)

(e) Being a deregulated sector, the role of the Government is that of a facilitator. However, the Government has taken the following steps to make the steel industry globally competent:-

(i) An Inter Ministerial Group (IMG) has been setup in the Ministry of Steel for coordination and expediting implementation of various investment projects in the steel sector. 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. This would ensure that steel production capacities come up quickly and minimize cost and time over runs.

(ii) 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% and export duty @ 5% ad-valorem has been imposed on export of iron ore pellets.