

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1621
ANSWERED ON:21.07.2014
STEEL PRODUCTION
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Will the Minister of STEEL be pleased to state:

- (a) the total steel production in the country during each of the last three years and the current year;
- (b) whether the Steel Authority of India Limited (SAIL) has decided to increase the steel production;
- (c) if so, the details thereof along with the demand and supply of steel in the country at present; and
- (d) the measures taken by the Government to increase the steel production in the country?

Answer

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

- (a) Data on crude steel production during last three years and the current year (April-June, 2014) is as mentioned below:

Period	Crude Steel Production (million tonnes)
2011-12	74.29
2012-13	78.42
2013-14	81.54
April- June 2014	20.56

Source: Joint Plant Committee. Provisional

- (b) Steel Authority of India Limited (SAIL) has undertaken modernization and expansion of its five integrated steel plants at Bhilai, Bokaro, Rourkela, Durgapur & Burnpur and the special steel plant located at Salem to enhance its crude steel production capacity from 12.8 Mtpa to 21.4 Mtpa in the current phase.

- (c) The indicative investment for the current Phase of Modernization & Expansion is Rs. 61,870 crore. Besides, a provision of Rs.10,264 crore has been made towards investment in the existing mines under Raw Materials Division (RMD) and development of Rowghat Mines.

The demand and supply of steel in the country during April-June, 2014 is given below:-

Total Finished April - June, Steel (alloy + 2014 (Million non-alloy) Tonnes)	
Production	21.86
for sale	
Import	1.48
Export	1.34
Real	18.81
Consumption	

Source: Joint Plant Committee (JPC). Provisional

(d) Steel being a deregulated industry, the role of the Government is limited to that of a facilitator and to provide a conducive policy environment. Specific decisions on investment are taken by the steel companies / new investors on the basis of their assessment of returns on capital and other considerations. However, the Government has taken the following measures to increase the steel production in the country;

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.