

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:464

ANSWERED ON:06.02.2017

Steel Consumption

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**Will the Minister of STEEL be pleased to state:**

- (a) whether the per capita steel consumption in the country is 060 kg. as compared to global average of 225 kg. if so, the details thereof and the reasons therefor;
- (b) whether steel consumption in rural areas of the country has increased during the last three years, if so, the details thereof and the reaction of the Government thereto;
- (c) the extent to which imposing Minimum Import Price (MIP) has been helpful to recover the steel sector in the country; and
- (d) the other steps taken by the Government to promote the steel sector in the country?

**Answer**

THE MINISTER OF STATE FOR STEEL (SHRI VISHNU DEO SAI)

(a) The per Capita steel consumption of total finished steel stood at 63 kg. in the country (source: JPC) while for 2016, the world average was at 208 kg. (Source: World Steel Association, which reports data on a calendar year basis). The level of consumption of steel in a country depends on a number of factors, including stage of development, speed of economic growth etc.

(b) The consumption of total finished steel in rural India during last three years is given below based on a Study conducted by the Joint Plant Committee (JPC). Government encourages increasing steel consumption in the country, including rural areas.

Year Consumption of total finished steel in rural India

Qty. (mt.) % change over last year

2013-14 9.26 2.4

2014-15 9.49 2.5

2015-16 9.74 2.6

Source: Joint Plant Committee JPC; mt.=million tonnes

(c) To lend support to the domestic steel industry and provide a level playing field, The Government has imposed Minimum Import Price. As a result:-

1. Total steel import have dropped by 37% to 6.02 million tonnes during April – December, 2016 as compared to the corresponding period last year.
2. Exports have increased by 64% to 5.8 million tonnes during April – December 2016 as compared to the corresponding period last year.

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3. Post notification of MIP in February, 2016, prices increased till May, 2016 which subsequently declined again in June, 2016 before stabilizing with a modest rebound in August, 2016. Thereafter, prices maintained an increasing trend till January, 2017, with the current prices (of Hot Rolled/Cold Rolled Coils) about 40% higher than the pre-MIP prices (January, 2016).

(d) In order to promote the country's steel industry, Government has taken a number of steps including Notification of Mines and Minerals (Development and Regulation) Amendment Act, increasing Customs Duty, imposition of Safe-guard duty and Anti-Dumping Duty on a number of steel products.

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