

Sixteenth Loksabha

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Title: Regarding privatisation of Salem Steel Plant.

SHRI V. PANNEERSELVAM (SALEM): I would like to record the strong public protest against the decision to privatize the Salem Steel Plant (SSP) and to highlight the need for taking urgent steps to save steel plant.

It is very disheartening to know that Govt. has approved disinvestment in SSP terming it a loss making unit. The SSP, which possesses well- established infrastructure, is one of the specialized unit of SAIL. SSP provides direct employment to more than 2000 persons and indirect employment to several thousand people. The plant was profitable till 2010. However, surprisingly the SSP has become a loss making unit whereas private steel plant that too in Salem itself is making profits. I firmly believe that poor management, improper supervision, incapacity and sabotage may be the reasons behind poor financial performance of SSP. Moreover, shifting SAIL's sales centre from Salem to Kolkata also affected its customer base and also, many private players may be very eager to grab the ownership of the plant.

SSP has very high potential for diversification and becoming a profitable unit, if managed properly. Steel making is one of the core-sector industries in the country. To change the fortunes of SSP, the requirements such as installation of captive power plant and steps for production of Railway coaches with collaboration of ICF Perampur be expedited. I also mention the fact that the plant was established with the collective efforts by Central and State Governments and people donated land for the project in the hope of getting employment. I fail to understand when a steel plant can be run profitably in private sector, what stops the State to run SSP profitably. I would like point out that when there was a proposal for privatization of NLC, our former Chief Minister intervened and saved it. Our present Chief Minister has also requested the Centre to stop the totally unjustified decision to privatize SSP.

I, therefore, request that privatization of Salem Steel plant should be stopped forthwith and its public-ownership should not be changed. I also urge that all steps including loan and interest-waiving option be considered to improve the functional efficiency of SSP and make it a profit-earning unit.