

**SHRI PRIYA RANJAN DAS MUNSI :** The Hon. Minister has stated that our prices are not competitive in the international market because of huge cost of production etc. Does the Minister know the fact that a large number of engineering export items inspite of LCs having been opened, the orders were cancelled. On account of the poor quality they were rejected and sent back to India. If so, what steps the Minister is going to take in this regard because it is not enhancing our reputation abroad? Long back India used to export a large number of cycles to African countries. What has happened in the last few years is that the quality of cycles is such that those who had placed the orders have started cancelling the orders inspite of opening LCs. Although the cost of production in North Korea and South Korea is more than that of India yet they are competing in the international market.

**SHRI P. A. SANGMA :** As far as the quality of goods is concerned I agree with the Hon. Members that we need to improve the quality and we have to upgrade our technology. It is with this idea that in this year's policy which we have just announced we have made accessibility of the inputs more liberal as far as the technology is concerned. It is only because we want our industry to go in for upgrading the technology and modernise. Why our industry has not modernised is because we have such a large domestic market that they do not feel it necessary to modernise it. So, we have not been able to compete in the international market. Now, we are going towards improving it and that is why the policy has been framed in that manner.

[*Translation*]

**SHRI GIRDHARI LAL VYAS :** As the Hon. Minister has just now told us that the quality of engineering goods is deteriorating and as a result there is a decline in exports, I would like to ask the Hon. Minister what steps have been taken to push up exports and to improve the quality of the goods.

[*English*]

**SHRI P. A. SANGMA :** We have taken several steps. In the beginning I mentioned

the raw-materials are costly. We have come out with a scheme whereby we try to supply raw-materials to the industry.

[*Translation*]

**SHRI GIRDHARI LAL VYAS :** What steps have been taken to improve the quality?

[*English*]

**SHRI P. A. SANGMA :** I have already answered this question. We have to improve the quality and, therefore, we are telling them to upgrade the technology. Unless the present technology is upgraded and unless the industry goes in for modernisation the quality cannot improve. In order to modernise the industry we have to make the technology available to them. That is why we have formulated a policy where the import of technology has been made liberal.

#### Steel Import Bills

\*618. **SHRI MUKUL WASNIK :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether it is a fact that on an average steel import bills have touched rupees 1100 crores annually since 1981-82 till 1983-84;

(b) if so, the details of items imported each year and countries from which those were imported, alongwith total cost of import of steel made in 1984-85;

(c) whether the production programme had been chalked out by the five integrated steel plants so as to avoid these imports; and

(d) if so, the reasons for such huge import bills?

**THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) :** (a) to (d). A Statement is laid on the Table of the House.

**Statement**

(a) The imports of iron and steel group of items which include iron, steel, pipes, tubes and fittings castings and ferro-alloys during 1981-82 to 1983-84 have been on an average of the order of about Rs. 1100 crores per annum. There is, however, a declining trend in those imports as may be seen from the following :

Year	Total imports of iron and steel (value in Rs. crores)
1981-82	1203.5
1982-83	1146.0
1983-84 (provisional)	962.9
1984-85 (provisional)	
(April September, 1984)	351.9

(b) Data regarding total steel imports is available only upto 1981-82. Information regarding total itemwise imports of steel during 1981-82 and data on canalised imports of steel during 1982-83 to 1984-85 is annexed. Countries from which steel has been generally imported include Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Czechoslovakia, France, Holland, Hungary, Italy, Japan, Luxemburg, North Korea, Norway, Romania, South Korea, Spain, Switzerland, U.K., U.S.A. and West Germany.

(c) and (d). Production programmes of the integrated steel plants are drawn up keeping in view the demand of various items, their product-mix and the necessity to keep imports to the minimum. It is normal practice to allow adequate import of various items to meet the needs of the engineering industry and other users.

## Annexure

Total Steel Imports During 1981-82 and Canalised Steel Imports made by Sail During 1982-83 to 1984-85.

Quantity : In '000 tonnes.  
Value : In Rs. crores

Category	Total Steel Imports		1982-83		Canalised Steel Imports		1984-85 (Prov.)	
	1981-82		Quantity	Value	1983-84	Value	Quantity	Value
<b>STEEL</b>								
Spade Ingots	—	—	1.9	0.53	—	—	—	—
Semis	237.9	68.05	43.7	10.07	14.0	2.75	—	—
Structurals	261.7	94.06	682.3	223.23	97.7	30.62	5.3	2.25
Bars and Rods	416.5	170.85	44.4	17.58	18.8	8.23	32.5	12.63
Plates	456.5	153.33	239.1	80.50	87.3	27.10	111.5	38.86
HR Sheets/Coils	1069.7	391.66	25.5	11.16	34.9	12.60	98.7	36.89
CR Sheets/Coils			77.8	32.82	113.2	44.59	215.3	92.53
Tin Plates	100.4	51.04	16.7	11.05	—	—	3.2	2.79
<b>TMBP</b>								
Tin Plates Waste/Waste	—	—	65.3	33.48	151.7	75.15	135.7	83.24
Electrical Steel Sheets, GP/GC Sheets	77.5	31.53	40.7	38.71	48.0	46.38	53.6	52.25
			74.3	37.45	—	—	8.3	4.82



**SHRI MUKUL WASNIK :** I thank the Hon. Minister has agreed that from the year 1981-82 to 1983-84 the steel import bill has been of the order of Rs. 1100 crores per annum. May I know from the Minister as to what were the reasons for incurring such a huge amount of import bill for steel? May I know whether the steel plants in the public sector are under-utilised and are not working to their fullest capacity for the purposes of production? May I know whether the Government has any proposal to modernise the existing steel plants in the country?

**THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) :** I am grateful to the Hon. Member for raising this particular issue. Government are very conscious of the fact that we have to pay such a bill for import of steel. But if you see the statement that we circulated you will see that there is a decline in the imports. You will see that during 1983-84 there is a decline of 16% over the previous year. Then again in 1982-83 this was 5% lower than 1981-82. The imports in the first 6 months of 1984-85 were 15.5% lower than the imports of the corresponding period of the earlier years. I might add here that we have a Joint Plant Committee which goes into this very carefully indeed. While there is this decline,—I think it will continue for some time I might with your permission inform the House that our projections for the year 2000 AD, even if all our plants are working at maximum capacity, and even if Vijayanagar and Vishakapatnam are fully operating, in the year 2000 AD, the demand would be 22.47 million and our production would be 17.27 million and we will still be short of 5 million. I went round the plants the other day. I was given a figure that the plant has fulfilled 85 or 82% of its capacity. My question was, our target should be the installed capacity, not the capacity given by the management. It is the installed capacity of the plant which we should reach.

**SHRI MUKUL WASNIK :** May I know from the Hon. Minister, in a situation where the demand is very much more than what we are producing at present, has the Government got any proposal to open new steel plants in the country to meet the demand of the day? If there is any such proposal, I would like to know from the Minister whether any new steel plants in public sector will be

opened in the Vidarbha region which is the most backward region in Maharashtra?

**SHRI K. NATWAR SINGH :** It is not related to Q No. 618. You asked me whether you have plans for opening any more plants. That is not in your question. (*Interruption*) The plants are not working to full capacity. Our endeavour is to see that they work to full capacity.

**SHRI MUKUL WASNIK :** Even if they work to full capacity will the steel plants meet the entire demand? That is the question.

**MR. DEPUTY SPEAKER :** He has already answered that question.

**THE MINISTER OF STEEL MINES AND COAL (SHRI VASANT SATHE) :** Sir, May I just answer this question? If we find that there is a need and we have the new technology to open new steel plants, after we have found resources for the plants,...that are already in process like Visakhapatnam, Vijayanagar and others, then we will definitely consider having a steel plant in Vidharba as a whole.

**AN HON. MEMBER :** What about Vidharba?

**SHRI VASANT SATHE :** Actually there is a State-owned mini-steel plant in Chandrapur and we are seriously considering of doing something for this. It is in difficulty because of power shortage. Maharashtra also is not giving power, as I said the other day. I am not partial only to Karnataka, Maharashtra is also not giving power to Chandrapur. Chandrapur plant is in doldrum. They are asking us to take over it. We are seriously considering taking over it.

#### WRITTEN ANSWER TO QUESTIONS

[English]

#### Investment in Coal Sector

\*610. **KUMARI PUSHPA DEVI :** Will the Minister of STEEL, MINES AND COAL be pleased to state :