

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO. 3343
FOR ANSWER ON 28.03.2025

DECLINE IN STEEL CAPACITY UTILISATION AMID RISING IMPORTS

3343. DR. SYED NASEER HUSSAIN:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that domestic steel capacity utilization is projected to drop to 78 percent in Financial Year 2025, the lowest in four years, due to a surge in cheap imports;
- (b) the strategies that the Ministry is implementing to enhance capacity utilization rates among domestic steel producers;
- (c) the manner in which the Ministry plans to support smaller steel mills that are disproportionately affected by low-priced imports; and
- (d) whether there are any initiatives to promote the competitiveness of domestic steel in both local and international markets?

ANSWER

THE MINISTER OF STATE IN THE (SHRI BHUPATHIRAJU SRINIVASA VARMA)
MINISTRY OF STEEL

(a)to(d): Steel is a deregulated sector, and its imports and exports are determined by demand and supply dynamics in the market. As per the provisional data for the period from April-February 2024-25, the capacity utilization factor is 76 percent (Source: Joint Plant Committee). The Government acts as a facilitator, by creating a conducive policy environment for the development, improve competitiveness of the domestic steel producers, including smaller steel mills. Some of the steps taken are:-

- i. Levying Anti-Dumping Duty (ADD) and Countervailing Duty (CVD) on imported steel products which undermine the competitiveness of domestic steel producers.
- ii. Periodic calibration of Basic Customs Duty (BCD) on raw materials such as ferroalloys, ferrous scrap which are not entirely available in the country.
- iii. Revamping of Steel Import Monitoring System (SIMS) 2.0 for effective monitoring of imports and provide granular data on imports to the domestic steel producers.
- iv. Implementation of Domestically Manufactured Iron & Steel Products (DMI&SP) Policy for promoting 'Made in India' steel for Government procurement.
- v. Launch of the Production Linked Incentive (PLI) Scheme for Specialty Steel to promote the manufacturing of 'Specialty Steel' within the country and reduce imports.
- vi. Notification of Steel Scrap Recycling Policy to enhance the availability of domestically generated ferrous scrap.