

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3806**  
FOR ANSWER ON 12.08.2025

**DECLINE IN DOMESTIC STEEL DEMAND**

3806. SHRI SAPTAGIRI SANKAR ULAKA:

Will the Minister of STEEL be pleased to state:

- (a) the reasons for the decline in domestic steel demand in FY 2024– 25, sector-wise;
- (b) whether the Government has conducted an impact assessment of the continued influx of dumped Chinese steel, if so, the details thereof and if not, the reasons therefor;
- (c) the impact of coal shortages on Steel Production and pricing with data on production losses and cost escalation; and
- (d) whether the Government intends to reduce GST on steel to boost infrastructure projects, if so, the details thereof and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STEEL

(SHRI H.D. KUMARASWAMY)

(a) The finished steel consumption in India for 2023-24 and 2024-25 were 136.3 Million Tons (MT) and 152.1 MT respectively, representing an increase of 11.6% in FY 2024-25 over the previous financial year. There has been an increase in steel consumption across all major sectors consuming steel which include building & construction, infrastructure, automobile, defence, engineering and packaging.

(b)to(d): Steel is a deregulated sector and the Government acts as a facilitator for the development of steel sector in India. Steel prices have reduced by about 11% since the last two years and production has increased by 5.5% from 144.30 MT in 2023-24 to 152.18 MT in 2024-25. Raw material, including coking coal, is procured by steel companies on techno-economic considerations. Government has taken following measures to facilitate the sector, boost domestic consumption and reduce imports:-

- i. Implementation of Domestically Manufactured Iron & Steel Products (DMI&SP) Policy for promoting 'Made in India' steel for Government procurement.
- ii. Launch of the Production Linked Incentive (PLI) Scheme for Specialty Steel to promote the manufacturing of 'Specialty Steel' within the country and reduce imports by attracting capital investments.
- iii. Thrust in the Union Budget to infrastructure expansion.
- iv. Calibration of Basic Customs Duty (BCD) on input materials such as scrap, ferro-nickel, etc.
- v. Imposition of Anti-Dumping Duty (ADD) and Counter-Vailing Duty (CVD) based on investigation by DGTR.
- vi. Imposition of a provisional safeguard duty at the rate of 12% (twelve percent) ad valorem for 200 days on imports of certain Non-Alloy and Alloy Steel Flat Products.
- vii. Revamping Steel Import Monitoring System (SIMS) for monitoring of imports to provide granular details on imports to the domestic steel industry.