

GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO. 1182
FOR ANSWER ON 30.07.2024

STEEL SECTOR

1182. SHRI Y S AVINASH REDDY:

Will the Minister of STEEL be pleased to state:

- (a) whether more investment represents a substantial commitment to the stainless steel sector in the States, if so, the details thereof;
- (b) whether the demand for stainless steel is expected to grow at an average of 10% annually over the next few financial years, doubling the growth rate of 4.5% in the last five financial years in the country and if so, the details thereof and the subsidies being given to steel sector growth since 2014; and
- (c) the details of privatization along with the reasons therefor?

ANSWER

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

(a)&(b): Steel is a deregulated sector and the decisions related to the kind of steel produced are taken by the individual steel producers based on market demand and other commercial considerations. Data on the consumption of total finished stainless steel in India during the last five financial years is given below and indicates a Compound Annual Growth Rate (CAGR) of 4.36% during this 5-year period :-

Year	Total Finished Stainless Steel Consumption (mt)	CAGR
2018-19	3.03	-
2019-20	2.71	-10.56
2020-21	2.39	-11.81
2021-22	3.04	27.20
2022-23	3.43	12.83
2023-24	3.75	9.33
Source: Joint Plant Committee; mt=million tonnes		Avg. CAGR: 4.36 %

Since steel being a de-regulated sector, no subsidy has been given to the steel sector since 2014. However, to create a conducive policy environment for the development

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of the steel sector and to promote 'Make in India', the Government has taken the following initiatives: -

- i. Implementation of Domestically Manufactured Iron & Steel Products (DMI&SP) Policy for promoting Made in India steel for Government procurement.
- ii. The Government has launched the Production Linked Incentive (PLI) Scheme for specialty steel to promote the manufacturing of 'Specialty Steel' within the country and reduce import by attracting capital investments. The anticipated additional investment under PLI Scheme for specialty steel is Rs. 29,500 crores and an additional capacity creation of around 25 million tonnes (MT) for specialty steel.
- iii. Make in India initiative and the PM Gati-shakti National Master Plan with further engagement with potential users, including from Railways, Defence, Petroleum and Natural Gas, Housing, Civil Aviation, Road Transport and Highways, Agriculture and Rural Development sectors to enhance the steel usage, overall demand for steel and investment in the steel sector in the country.
- iv. Coordination with Ministries and States, besides other countries for facilitating the availability of raw material for steel making on more favourable terms.
- v. Notification of Steel Scrap Recycling Policy to enhance the availability of domestically generated scrap.
- vi. Notification of 145 numbers Steel Quality Control Orders to prevent manufacturing and import of non-standardized steel and to make available quality steel products to the public at large.

(c) The policy of strategic disinvestment/privatization of Public Sector Undertakings (PSUs) is based on the economic principle that the Government should discontinue in sectors, where competitive markets have come to age and the economic potential of such entities may be better discovered in the hands of strategic investors due to various factors such as infusion of capital, technologic upgradation and efficient management practices. Strategic Disinvestment sale implies entire or substantial sale of Government shareholding of PSES, along with transfer of management control.

Details of privatization of Steel Plants:-

Year	Name of the PSE	Method of Disinvestment
2022-23	Neelachal Ispat Nigam Limited (NINL)	Strategic Disinvestment/Privatisation
