

GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO. 897
FOR ANSWER ON 07.02.2024

GROWTH IN STAINLESS STEEL SECTOR

897. SHRI Y.S. AVINASH REDDY:

Will the Minister of STEEL be pleased to state:

- (a) whether more investment by the Government represents a substantial commitment to the stainless- steel sector in the country and if so, the details thereof;
- (b) whether the demand for stainless steel in India 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;
- (c) if so, the details thereof along with the subsidies being given for the growth of steel sector since 2014; and
- (d) the details of privatization in the steel sector along with the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL

(SHRI FAGGAN SINGH KULASTE)

(a) 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.

(b) Data on the consumption of total finished stainless steel in India during the last five financial years is given below and indicates CAGR of 5.5% during this 5-year period :-

Financial Year	Total Finished Stainless Steel Consumption (mt)
2018-19	3.03
2019-20	2.71
2020-21	2.39
2021-22	3.04
2022-23	3.43
CAGR %	5.5
Source: Joint Plant Committee(JPC); mt=million tonnes	

Contd....2/-

(c) No subsidy has been given to the steel sector since the year 2014. However, to create a conducive policy environment for the development 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. Notification of Production-Linked Incentive (PLI) Scheme for Specialty Steel with an outlay of Rs. 6,322 Crore to promote the manufacturing of specialty steel within the country.
- 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. Adjustments in Basic Customs Duty on steel products and raw materials along with calibration of trade remedial measures on certain steel products to enhance the competitiveness of India's steel sector.
- v. Coordination with Ministries and States, besides other countries for facilitating the availability of raw material for steel making on more favourable terms.

(d) The policy on strategic disinvestment 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.

Details of the Cabinet Committee on Economic Affairs' 'in-principle' approval for Strategic disinvestment of PSEs/units of PSE since 2016, under Ministry of Steel are given below:-

S.No.	PSUs/Subsidiaries/Units
1.	Ferro Scrap Nigam Limited (FSNL), Subsidiary of MSTC Ltd.
2.	Nagarnar Steel Plant of NMDC Ltd [NMDC Steel Limited (NSL)]
3.	Units of Steel Authority of India Limited (SAIL) <ul style="list-style-type: none">● Salem Steel Plant, Salem● Alloy Steel Plant, Durgapur● Visvesvaraya Iron and Steel Plant, Bhadravathi
4.	Rashtriya Ispat Nigam Limited (RINL)
