

GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO.2282
FOR ANSWER ON 02/08/2021

DEMAND AND SUPPLY OF IRON ORE AND STEEL

2282. DR. RAMAPATI RAM TRIPATHI:

Will the Minister of STEEL be pleased to state:

- (a) the total quantity of iron ores and steel produced during the last three years and the current year along with per capita consumption of steel in the country;
- (b) the estimated demand and supply of iron ores and steel for public and private sectors separately in the next three years;
- (c) the steps taken / proposed to be taken by the Government to meet the estimated demand of the same;
- (d) whether there has been an increase in import of iron ores during the last three years and the current year and if so, the details thereof;
- (e) if not, the reasons therefor; and
- (f) whether the cost of steel in the country is more in comparison to that in other steel producing countries and if so, the reasons therefor along with the efforts made by the Government in this regard?

ANSWER

THE MINISTER OF STEEL

(SHRI RAM CHANDRA PRASAD SINGH)

- (a) The total quantity of iron ore and steel produced during the last three years and the current year along with per capita consumption of steel in the country are as follows:-

Items	2018-19	2019-20	2020-21	2021-22
Iron Ore (in MT)	206.49	246.08	204.28	46.56*
Crude Steel (in MT)	110.92	109.14	103.54	27.80**
Consumption of Steel (in Kg)	74.4	74.7	70.0	---

[MT = Million tonnes, Kg = Kilograms, *April-May, 2021, **April-June, 2021]

[Source: IBM/JPC]

- (b) The estimated production and capacity of crude steel and estimated demand and supply of iron ore in the country for the current year and next three years are as follows:-

(in million tonnes)

Item	2021-22	2022-23	2023-24	2024-25
Production of crude steel	113	121.5	130.6	140.4
Capacity of crude steel	158.33	165.19	170.51	172.58
Demand of Iron ore	181	197	211	227
Supply of Iron ore	250	255	260	277

[Source: JPC]

Contd.....2/-

(c) The Government has taken various steps to increase availability of iron ore and steel which include, inter-alia, Mining and Mineral Policy reforms to ensure enhanced production and availability of iron ore, early operationalization of forfeited working mines of Odisha by the State/Central PSUs etc., besides ramping up production and capacity utilization by steel producers. In Union Budget 2021-22, Customs Duty has been reduced uniformly to 7.5% on Semis, Flat and Long products of non-alloy, alloy and stainless steels. Further, Basic Custom Duty (BCD) on steel scrap has been exempted for a period up to 31st March, 2022.

(d)&(e): The import of iron ore during the last three years and the current year is as follows:-

(in million tonnes)

Items	2018-19	2019-20	2020-21	2021-22
Import of Iron Ore	12.804	1.240	0.760	0.0009*

[Source: DGFT & JPC] *between April – June, 2021

(f) The comparative statement of production cost of steel in India vis a vis other major steel producing countries is as follows:-

Average Cost of Finished Steel in 2018 (US\$/tonne)

Items	Brazil	China	CIS	W. Europe	India	Japan	Global Average
Raw materials	289	351	263	389	307	379	330
Labour	60	84	27	115	65	144	89
Other	184	155	164	186	171	188	171
Energy	83	99	35	125	93	68	74
Energy Credit	(-) 88	(-) 87	(-) 75	(-) 116	(-) 122	(-) 81	(-) 83
Total	528	602	414	699	514	698	581

[Source: WSD Steel Strategist #44 March, 2019-operating cost for CR coils]
