

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
STARRED QUESTION NO.*2
FOR ANSWER ON 24/02/2016

DEMAND AND SUPPLY OF STEEL IN THE COUNTRY

*2. SHRI N. GOKULAKRISHNAN:

Will the Minister of STEEL be pleased to state:

- (a) the details of demand and supply of each type of steel in the country during the last three years;
- (b) whether the domestic industry could not meet the domestic demand during the above period resulting in import of steel due to which China and other countries are dumping steel into the country;
- (c) whether in spite of increasing import duty on various kinds of steel, there is no respite to domestic steel manufacturers; and
- (d) if so, what further regulatory and other measures Government is taking to ensure that domestic steel manufacturing sector is protected?

ANSWER

THE MINISTER OF STEEL AND MINES (SHRI NARENDRA SINGH TOMAR)

(a)to(d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (D) OF THE RAJYA SABHA STARRED QUESTION NO. *2 FOR ANSWER ON 24/02/2016 TABLED BY SHRI N. GOKULAKRISHNAN, MEMBER OF PARLIAMENT REGARDING “DEMAND AND SUPPLY OF STEEL IN THE COUNTRY”

(a) Details are given at **Annexure**.

(b) With a crude steel production capacity of about 101 MT (Million Tonnes) in 2013-14, India produced about 87.67 MT of finished steel with an apparent consumption of about 74.09 MT. In 2014-15 also with a capacity of about 110 MT, India produced about 91.45 MT of finished steel with an apparent consumption of about 76.99 MT. Thus India is capable of meeting almost the entire domestic steel demand. India has witnessed about 75.5% increase (year-on-year) in imports of total steel (Alloy + Non Alloy) in 2014-15 & about 24% increase during April '15 - Jan'16. The jump in imports is largely on account of global steel glut. Due to this reason, steel is being exported by China and other countries, often at below cost of production. Further, a small quantity of high quality steel, not manufactured locally, are also imported.

(c)&(d): In order to protect domestic steel sector, the Government has taken various measures which have reduced the pace of growth of imports. While imports grew by about 75% in the Financial Year 2014-15, compared to the Financial Year 2013-14, the import growth has slowed to about 24% in the period April'15 – Jan'16, compared to the same period in the last Financial Year. Various steps taken in this regard are as follows:

- (i) To ensure that only quality steel is produced or imported, Government has notified Steel & Steel Products (Quality Control) Orders, 2012 dated 12.03.2012 and Steel & Steel Products (Quality Control) Orders, 2015 dated 15.12.2015.
- (ii) To increase availability of Coal and Iron ore for the domestic steel industry:
 - (a) Notified the Coal Mines (Special Provisions) Amendment Act, 2015 on 30.03.2015 to streamline coal block allocations.
 - (b) Notified the Mines and Minerals (Development and Regulation) Amendment Act, 2015 on 27.03.2015 to streamline grant of Mining Leases.
- (iii) The Union Budget 2015-16 has raised peak rate of basic customs duty on both flat and non-flat steel to 15% from 10%.
- (iv) Hiked import duty on ingots & billets, alloy steel (flat & long), stainless steel (long) and non-alloy long products from 5 % to 7.5% and non-alloy and other alloy flat products from 7.5% to 10%. Import Duty was further revised in August, 2015 on flat steel from 10% to 12.5%, long steel from 7.5% to 10% and semi-finished steel from 7.5% to 10%.
- (v) In November 2014, Government issued instruction to ensure import of rebars strictly as per Steel Product Quality Control Order 2012, to block influx of cheap imports of boron added rebars.
- (vi) In June, 2015, an Anti-Dumping Duty for five years on imports of certain variety of hot-rolled flat products of stainless steel from China (\$ 309 per tonne), Korea (\$ 180 per tonne) and Malaysia (\$ 316 per tonne).
- (vii) Imposed, in September 2015, a provisional Safeguard Duty of 20% on hot-rolled flat products of non-alloy and other alloy steel, in coils of a width of 600 mm or more, for a period of 200 days.
- (viii) Imposed, vide its notification dated 05.02.2016, the Minimum Import Price (MIP) condition on 173 steel products. Imports of items covered under this notification will not be allowed into the country below the notified price.

ANNEXURE**Details of Demand (as actual consumption)***(in thousand tons)*

Category : Total Finished steel	2012-13	2013-14	2014-15	2015-16 (April-Dec)
Bars & Rods	29445	29420	31081	24,246
Structurals	5987	6857	7301	5,609
Rly. Materials	946	870	851	623
Plates	4891	4177	4770	3,508
H.R. Coils\Skelp	19817	19991	20544	15,506
H.R. Sheets	485	965	1113	1223
C.R. Sheets\coils	8807	8526	8295	6,048
GP\GC Sheets	5230	5428	5554	4,175
Elec. Sheets	541	462	541	328
Tinplate (incl. ww)	434	462	525	324
Tin Mill Black Plate (TMBP)	5	4	1	3
Pipes (Large Dia.)	2046	1963	1993	1,538
Tin free steel	82	68	87	66
Alloy and Stainless Steel	5861	6102	6758	5,942

Details of Supply (as actual production for sale)*(in thousand tons)*

Category : Total Finished steel	2012-13	2013-14	2014-15	2015-16 (April-Dec)
Bars & Rods	28795	29550	32251	24803
Structurals	5932	6896	7495	5715
Rly. Materials	937	887	835	621
Plates	4161	3896	4700	2943
H.R. Coils\Skelp	19391	20806	20205	13638
H.R. Sheets	556	920	1138	1218
C.R. Sheets\coils	7654	7722	7509	5216
GP\GC Sheets	6287	6898	6892	4902
Elec. Sheets	155	126	140	92
Tinplate (incl. ww)	301	344	354	237
Tin Mill Black Plate (TMBP)	5	3	0	0
Pipes (Large Dia.)	2007	1978	2094	1567
Tin free steel	16	12	0	0
Alloy and Stainless Steel	5484	7637	8544	6759

Source : JPC
