

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.1154
FOR ANSWER ON 27/07/2016

MEASURES TO REVIVE INDIAN STEEL INDUSTRY

1154. DR. R. LAKSHMANAN:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that currently Indian steel industry is witnessing a severe downturn;
- (b) if so, the details thereof;
- (c) whether Government has taken any immediate steps to arrest this trend as a short term measure;
- (d) if so, the details thereof;
- (e) whether Government has formulated and implemented any long term measure to revive the Indian steel industry; and
- (f) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a)&(b): Yes, Sir. The Indian steel industry is currently passing through a severe downturn. Globally, demand slowdown and overcapacity have resulted in major steel producing countries adopting predatory pricing strategy and selling their products in India at prices often lower than their cost of production. Consequently, domestic producers have considerably reduced prices eroding their profit margin.

(c)&(d): In order to alleviate the problems faced by domestic steel industry the Government of India has taken various measures. These include:-

- (i) Imposed Minimum Import Price (MIP) on 173 steel tariff lines in order to provide a level playing field to domestic producers against the injury caused as evident from the decline in margins of the producers.
- (ii) Increased the peak rate of basic customs duty on both flat and non-flat steel to 15% from 10% in the Union Budget 2015-16.
- (iii) Increased the import duty on ingots & billets, alloy steel (flat & long), stainless steel (long) and non-alloy long products to 7.5% (from 5%) and non-alloy and other alloy flat products to 10% (from 7.5%). This has been further revised in August, 2015. Currently, import duty on flat steel is applicable at 12.5%, on long steel products at 10% and on semi-finished steel products at 10%.
- (iv) Amended the Steel & Steel Products (Quality Control) Order, 2012, in December 2015 to ensure that only quality steel is produced/imported in India.
- (v) Levied the 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).
- (vi) Imposed the Safeguard Duty of 20% in March 2016 on hot-rolled flat products of non-alloy and other alloy steel, in coils of width of 600 mm or more.

(e)&(f): The Government is guided by National Steel Policy, 2005 for long term development of steel sector. However, currently, the focus is on taking measures to protect the industry. These measures are given in reply to part (c) & (d) of this question.
