

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.1526
FOR ANSWER ON 22/08/2013

DECLINE IN CONSUMPTION OF STEEL IN COUNTRY

1526. SHRI MOHD. ALI KHAN:
SHRIMATI T. RATNA BAI:

Will the Minister of STEEL be pleased to state:

- (a) whether the share of domestic production of iron ore and consumption of steel in the country is declining and the share of import increased;
- (b) if so, the details thereof during the last four years and the present position thereof;
- (c) the impact of such position on the market and on the consumers in our country; and
- (d) the actual production and demand in the country?

ANSWER

THE MINISTER OF STEEL

(SHRI BENI PRASAD VERMA)

(a)&(b): Data on domestic production of iron ore, real consumption and import of total finished steel (alloy + non-alloy) for the last four years as given below shows a declining trend in domestic production of iron ore, a rising trend in real consumption of total finished steel and a rising trend in imports of total finished steel.

Item		Unit: million tonnes or mt			
		2009-10	2010-11	2011-12	2012-13***
Production of Iron Ore*		219	208	167	145
Total Finished Steel**	Real Consumption	59.34	66.42	71.02	73.33
	Imports	7.38	6.66	6.86	7.87

Source: *Indian Bureau of Mines ** Joint Plant Committee (JPC) *** Provisional

(c) Steel is a deregulated sector. Import and export of steel are market driven business activities based on a number of factors. Imports are taking place mainly to meet the gap between demand and supply of steel in the country. To that extent, imports help stabilisation of domestic prices and may help the consumers in the short run. However, imports have also have a detrimental impact on the domestic steel producers by taking away their market share, leading to pressure on domestic prices and consequently reducing the industry's profitability and long term growth prospects.

(d) The actual production and demand in the country during the last three years is as detailed below:

Year	Total Finished Steel (alloy+non-alloy) (in mt)	
	Production for sale	Real Consumption
2010-11	68.62	66.42
2011-12	75.70	71.02
2012-13*	77.62	73.33

Source: Joint Plant Committee (JPC) * Provisional
