

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.2764
FOR ANSWER ON 10/08/2016

**GLOBAL STEEL PRODUCERS PUSHING STEEL PRODUCTS IN
INDIAN MARKET**

2764. SHRI AJAY SANCHETI:

Will the Minister of STEEL be pleased to state:

- (a) the number of steel plants in the country both in the public sector and private sector;
- (b) what has been their performance during last five years;
- (c) whether these plants are not globally competitive;
- (d) if so, the reasons therefor;
- (e) whether global steel producers are pushing steel products into the Indian market, leading to a surge in steel imports; and
- (f) if so, the steps taken to restrict steel imports and make domestic producers sustainable?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

- (a) The number of steel plants producing crude steel in the public and private sectors in the country during 2015-16 (provisional) is given in the table below:-

India: Crude Steel	
Sector	Number of units in 2015-16*
Public Sector	9
Private Sector	1180
Total: Public + Private Sector	1189
Source: JPC; *Provisional	

- (b) The production of crude steel by steel plants in the public sector and leading plants in the private sector units producing crude steel in the country during the last five years is detailed below:-

Year	India : Crude steel (in million tonnes)		
	(a) Public Sector	(b) Private Sector	Total (a+b)
2011-12	16.48	57.81	74.29
2012-13	16.48	61.94	78.42
2013-14	16.78	64.91	81.69
2014-15	17.21	71.77	88.98
2015-16*	17.92	71.86	89.78
Source: Joint Plant Committee (JPC); *provisional			

(c)&(d): The competitiveness of the Indian industry is determined by several factors such as profitability, technical performance involving input/output ratios, labour productivity, performance in maintaining environment protection parameters, etc. Steel being a deregulated sector, the role of Government is that of a facilitator only. The steel producing companies consider such information as commercially sensitive and therefore, no conclusion can be drawn on the exact position in respect of global competitiveness of the Indian steel industry.

(e) Yes, Sir. The global steel industry is going through a severe downturn. Demand slow down and global overcapacity have resulted in very low international steel prices. Major steel producing countries are adopting a predatory pricing strategy and exporting at prices, apparently lower than its cost of production, in a bid to capture markets like India. This has led to significant increase in imports of steel.

(f) The Government has taken the following steps to restrict steel imports and make domestic producers sustainable:-

- 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.
- Amended the Steel & Steel Products (Quality Control) Order, 2012, in December 2015 to ensure that only quality steel is produced/imported in India.
- 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%.
- 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).
- 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.
- In February, 2016, the Government has notified Minimum Import Price (MIP) on 173 steel products for 6 months 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 and imposed MIP on 66 steel products on 04/08/2016.
