

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.3379
FOR ANSWER ON 25/04/2013

PRODUCTION BY MAJOR STEEL PLANTS

3379. SHRI K.C. TYAGI:

Will the Minister of STEEL be pleased to state:

- (a) the total production of steel by all the major steel plants operated through public sector;
- (b) the percentage of total demand of steel being met by the Steel Authority of India Ltd. (SAIL);
- (c) the bottlenecks/difficulties being faced by the SAIL in view of the tough competition posed by the private sector; and
- (d) the steps being taken by Government to remove the bottlenecks in the steel sector?

ANSWER

THE MINISTER OF STEEL

(SHRI BENI PRASAD VERMA)

- (a) There are two public sector steel manufacturing companies in the country, namely, Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL). The production of crude steel by SAIL and RINL has been 13.41 Million Tonnes and 3.07 Million Tonnes respectively during 2012-13.
- (b) SAIL's share of the total demand of finished steel in the country was 14% in the year 2012-13.

(Source: Flash Report of JPC for the month of March, 2013.)

- (c) Steel companies in the private sector have added new facilities to cater to high end segments viz. Auto, White Goods, Oil & Gas, Ship Building etc. SAIL's current product range does not cater to full requirements of such sectors. This increased competition has prompted not only SAIL but other steel producers also to continually improve their product offerings as well as standards of customer service. The recent slowdown of steel demand which is estimated to have grown by 3.3% in 2012-13, as per JPC estimates, coupled with continuing weakness in the global markets, there is a pressure on domestic steel players, including SAIL, to market their products without eroding their bottom line.

...2/-

(d) Steel is a deregulated sector. The role of Government is that of a facilitator. The Government promotes/encourages growth of steel industry through suitable policy measures, based on its assessment of industry performance. However, the Government has taken following major steps to increase the steel production capacity and to ensure raw material availability for the steel sector:

- (i) An Inter-Ministerial Group (IMG) has been set up by the Government for effective coordination amongst State Governments, different Ministries of Central Government and various other Agencies' and to expedite implementation of various projects in the steel sector.
- (ii) Public Sector Undertakings namely SAIL/RINL are in the process of implementing large scale expansions in the crude/finished steel capacity.
- (iii) Import of critical raw materials for steel industry such as coking coal, non-coking coal, scraps etc. is subject to zero or very low customs duty.
- (iv) To improve availability of iron ore for domestic iron and steel industry and also to encourage domestic value addition, duty on export of iron ore has been increased to 30%.
