

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI JITIN PRASADA):

(a) and (b) Some of the major steel producers such as Steel Authority of India Ltd. (SAIL), Rashtriya Ispat Nigam Ltd. (RINL), JSW Steel Ltd. and Ispat Industries Limited have confirmed that the benefit of 2% reduction in Excise Duty has been passed on to the consumers. The recent rise in steel prices are reported to be mainly on account of rise in cost of input materials, abnormal rise in prices of steel in the international market and the sudden spurt in steel demand in the country.

(c) and (d) During a meeting with major steel producers on 03.04.2008, Ministry of Steel has asked the producers to make the prices of their product transparent. The public sector steel units viz. SAIL and RINL publish the information on the steel prices in respect of representative categories in their website and also notify any change in the listed price of items. Similarly, major private sector steel producers such as JSW Steel Ltd., Ispat Industries and Essar Limited also publish information on the price of their products in their respective websites.

(e) Steel Price Monitoring Committee (SPMC) was constituted to act as a forum for monitoring and analyzing the price movements in respect of major steel products. However, it has no statutory power to control the prices of steel. Steel, being in a deregulated sector, its prices are determined by the steel producers themselves, depending upon the market conditions.

Demand and production of steel

3542. SHRI RAMDAS AGARWAL: Will the Minister of STEEL be pleased to state:

(a) whether Government expected domestic steel production around three hundred million tonnes by end of 2019-20 as against earlier production target of two hundred million tonnes;

(b) whether Government is aware that the growth in production of steel is at present only 7 per cent each year as against likely growing demand of 14-16 per cent during next few years;

(c) whether Government has set up any high powered Committee to look into the demands of domestic steel manufacturers and suggest measures for capacity expansion to meet anticipated growth in infrastructure and manufacturing sectors by 14-16 per cent as mentioned above; and

(d) if so, with what result?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI JITIN PRASADA):

(a) National Steel Policy, 2005 envisaged a production capacity of 110 million tonnes in the country to be achievable by the year 2019-20. However, taking into account the current trend in growth of steel demand and the status of various steel investment projects, it is estimated that the steel production capacity in the country is likely to be 124 million tonnes by the year 2011-12.

Furthermore, as per the latest available information, 194 Memorandum of Understanding (MoUs) have been signed by various private sector steel investors with the State Governments intending to set up nearly 243 million tonnes of additional steel capacity in the country. Based on this projection and the plan set out by public sector steel units, it is estimated that country's steel production capacity can be 293 million tonnes by 2019-20. However, this estimation will depend upon sustenance of current steel demand as well as successful implementation of all intended investment projects.

(b) As per the information available with the Government, the annual rates of growth in production and demand for finished carbon steel in last 4 years and the current year are as indicated below:

	(% growth)				
	2003-04	2004-05	2005-06	2006-07	Apr, 07- Feb, 08
Production	9.0	7.0	7.4	13.1	5.0
Demand	7.9	10.3	13.9	13.1	11.4

SOURCE: JPC

In the first 10 months of the last fiscal year (April, 07 — February, 08), domestic demand for carbon steel has grown by 11.4% compared to a growth of 5.0% in domestic production.

(c) and (d) An Inter Ministerial Group (IMG) has been constituted under the chairmanship of Secretary (Steel) to monitor and coordinate issues concerning major steel investments in the country. The IMG consists of Secretaries of Ministries/Departments of Industrial Policy & Promotion, Mines, Railways, Road Transport & Highways, Shipping and Environment & Forest, as well as the Chief Secretaries of concerned State Governments. The IMG is continuously monitoring and pursuing the various issues concerning investments in the steel sector in the country.

Optimum utilization of low grade ores to meet growing demand

3543. SHRIMATI SUPRIYA SULE:

SHRI GIREESH KUMAR SANGHI:

Will the Minister of STEEL be pleased to state:

(a) whether even as India set a target of achieving production capacity of 110 MT of steel by 2020, scientists have observed that the country must made optimum utilization of low grade ores to meet the growing demand;

(b) if so, whether the required quantity of iron is projected at 190 MT;

(c) whether the demand may raise by more than 200 MT per year to meet the internal requirements and export; and

(d) if so, the steps Government is considering in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI JITIN PRASADA):

(a) to (d) National Steel Policy-2005 envisaged a steel production capacity of 110 million tonnes in the country to be achievable by the year 2019-20. The Policy further envisaged that 190 million tonnes of iron ore would be required to support steel production of 110 million tonne by 2019-20 and exports of iron ore would be around 100 million tonne by 2019-20. As per the Policy, investments are to be encouraged for creation of additional Modern Mining and Beneficiation capacity to gainfully utilize low grade ores and for setting up of pelletization facilities for adding value to iron ore fines.

However, taking into account the current trend in growth of steel demand and the status of various steel investment projects, it is estimated that the steel production capacity in the country is likely to be 124 million tonnes by the year 2011-12. Furthermore, as per the latest available information, 194 Memorandum of Understandings (MoUs) have been signed by