

SI. Name of the Unit No. and Location	Process Route/Prod.	Capacity L.Tbnnes	Investment Rs. Crores	Status/Date of Corhriiissioning
18. Usha Ispat Limited (Satarda, Maharashtra)	BF-BOF LP	6.00	1400.d0	Under irrtrpln. Nov. 1998
19. Bhuwalka Inds. Ltd. (Bellary, Karnataka)	BF-BOF Billets	2.70	452.00	Under impln Apr, 1999
20. Neelachal Ispat N. Ltd (Dai tari, Orissa)	BF-BOF Billets/WR	6.20	1510.00	Under impln. Oct, 1999
21. Grand Foundry Ltd. (Pune, Maharashtra)	EAF B&R, WR	1.20	260.00	Proj. impln. deferred
Total (A)		122.32	22,225.75	

Increase in Production cost Of Steel

3928. SHRI RAJNATH SINGH SURYA:
SHRI SANJAY NIRUPAM:
SHRI MUKESH R. PATEL:

Will the Minister of STEEL be pleased to state:

(a) whether the production cost of steel in our country has increased in the last three years;

(b) if so, the reasons therefor;

(c) the facilities Government propose to extend to the steel manufacturers to control the cost of steel so that it can compete with the price of imported steel; and

(d) the steps Government propose to take to promote the export of steel?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (d) and (b) The cost of production of steel primarily depends upon prices of inputs such as iron ore, coal, steel scrap, energy, costs of freight and labour and financial charges. Some elements of the cost of steel production stich as coal, power tariff, petroleum, products, railways freight etc. have become costlier in the last three years resulting in higher cOst of production.

(c) Apart from'the cost Of production, the competitiveness of Indian steel would be determined by factors such as international prices, freight costs, exchange rate of rupee, production costs in Other countries etc. These factors are usually dynamic and change freqiehtly. SATi is taking following theatres on cbhtiHtidUs basis to face (He glottal

competition:

- Modernisation arid technological ujjgradatibn 6f its plants.
- Iricreasihg capacity utilisation.
- improving productivity.
- Introducing energy conservation measures.
- Improving availability of equipment through effective maintenance.
- Improving product-mix, making value added items and meeting customers' requirements.
- Reduction in consumption of coke, energy, stores and spares etc.

(d) As per the extant policy, export of iron and steel is freely allowed. Based oh prevailing rmarket conditions, enterprises themselves explore and tap the export. However, the measures taken by the Government to facilitate exports include:

- (i) Full convertibility of export earnings at market rate df exchange;
- (ii) Facility available to exporters to import their requirement of raw materials duty free Under the Advance Licensing Scheme;
- (iii) Rfesftind¹ Of the duty paid oh any imported bi- excisibie Material tised lh the ttaW&Hire of eiptrri goods; sttid
- (iv) ExemiJtibti df export earning from IHctime-tax uhdher Sectlbri 8d HHC of triethbdrHeiaiAct.