

| Sl. No. and Location | Name of the Unit                             | Process Route/Prod.  | Capacity L.Tonnes | Investment Rs. Crores | Status/Date of Commissioning |
|----------------------|--|----------------------|-------------------|-----------------------|------------------------------|
| 18.                  | Usha Ispat Limited<br>(Satarda, Maharashtra) | BF-BOF<br>LP         | 6.00              | 1400.00               | Under impln.<br>Nov. 1998    |
| 19.                  | Bhuwalka Inds. Ltd.<br>(Bellary, Karnataka)  | BF-BOF<br>Billets    | 2.70              | 452.00                | Under impln.<br>Apr. 1999    |
| 20.                  | Neelachal Ispat N. Ltd<br>(Daitari, Orissa)  | BF-BOF<br>Billets/WR | 6.20              | 1510.00               | Under impln.<br>Oct. 1999    |
| 21.                  | Grand Foundry Ltd.<br>(Pune, Maharashtra)    | EAF<br>B&R, WR       | 1.20              | 260.00                | Proj. impln.<br>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): (a) 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 such 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 frequently. SAIL is taking following measures on continuous basis to face the global

competition:

- Modernisation and technological upgradation of its plants.
- Increasing 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 on prevailing market 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 of exchange;
- (ii) Facility available to exporters to import their requirement of raw materials duty free under the Advance Licensing Scheme;
- (iii) Refund of the duty paid on any imported or excisable material used in the manufacture of export goods; and
- (iv) Exemption of export earnings from income-tax under Section 80 HHC of the Income Tax Act.