

	(Rs./ Tonne)			
Delhi	TMT 10mm	Wire Rods 8mm	HR Coils 2.0mm	CR Coils 0.63mm
June, 2009	35479	35249	34289	36568
March, 2009	34218	37357	34491	36968
December, 2008	36565	37858	36498	36039
Sept., 2008	41934	43664	45327	48700
June, 2008	47451	45925	50045	49492
March, 2008	43775	43450	44000	48000
December, 2007	32200	32000	35100	38000
Sept., 2007	29700	30500	34500	37500
June, 2007	32500	30500	36400	39000

SOURCE: JPC Open Market Prices (inclusive of transportation cost, taxes and duties and retailers' Margin)

(b) Steel Prices started falling rapidly from September 2008 onwards after achieving their peak in June/July 2008. Iron ore prices on the spot market had started falling at the same time. However, contracted price of imported coking coal, which generally account for the largest share in the total material cost of steel, continued to rule at a very high level of \$300-\$315/T till the annual revision in April-May 2009. Currently the steel prices have just about stabilized at the pre-escalation levels prevailing in January 2008. However there are no firm indications of a sustained upward movement in steel price.

(c) Steel is a deregulated sector and steel prices are determined by the market based on factors like demand and supply situation, landed cost of imports, input costs and price and availability of substitutes etc, and the role of the Government is just that of a facilitator. Nonetheless, in order to stabilize price and supply of steel in the domestic market government has been taking various policy initiatives as necessary.

Target for indigenous steel production

1634. SHRI N. R. GOVINDARAJAR: Will the Minister of STEEL be pleased to state:

(a) whether the National Steel Policy target for indigenous production of 110 MT per annum in next five years;

(b) if do, the share of public and private sector units therein;

(c) whether Government proposes to invest heavily in steel sector to achieve the target;

(d) if So, the details thereof;

(e) whether some of the units of SAIL incurring heavy losses despite continuous help from Government; and

(f) if so, the revival steps taken by Government for these units and expansion programme of the existing other units during the next five years?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP): (a) National Steel Policy 2005 has projected India's steel production capacity at 110 million tonnes by 2019-20. However, based on the investment scenario in the steel sector, it has been further assessed that the steel production capacity in the country is likely to be 124.06 million tonnes by the year 2011-12.

(b) A number of major steel companies, including the two PSUs namely Steel Authority of India Ltd. (SAIL) and Rashtriya Ispat Nigam Ltd. (RINL) have announced investment in steel sector, both under capacity expansion (brown field) plans and new of greenfield projects. The details of some of the major steel investments areas follows:

Crude Steel Capacity

(In million tonnes)

Investor	Existing Capacity	Brownfield 2011-12	Greenfield 2011-12	Total capacity likely by 2011-12
SAIL	12.84	12.00	-	24.84
RINL	2.90	3.40	-	6.30
TATA Steel	6.80	3.20	3.00	13.00
Essar Steel	4.60	3.90	6.00	14.50
JSW Steel	6.90	4.10	-	11.00
JSPL	2.40	4.80	3.25	10.45
Ispat Industries	3.00	2.0	-	5.00
Bhushan Power & Steel	1.20	-	2.80	4.00
Bhushan Steel Ltd.	0.80	-	5.20	6.00
Other + Secondary Steel	23.00		5.97	28.97
TOTAL :	64.44	33.40	26.22	124.06

(c) and (d) Government has no proposal for direct investment in expansion of steel capacities. However, the public sector steel units have made investment proposals for modernization, capacity expansion and setting up of new projects. The approximate costs of the proposal investments are SAIL: Rs.70,000 crore, RINL: Rs. 12,000 crore and NMDC: Rs.16,700 crore.

(e) SAIL is not getting any financial help from the Government. During 2008-09 the company made a profit (profit after tax) of Rs.6175 crore. However, some of its units namely - Alloy Steel Plant (ASP) Visvesvaraya Iron and Steel Plant (VISL) and IISCO Steel Plant (ISP) have incurred losses.

(f) SAIL is taking various steps to improve performance of ASP, VISL, and ISP. At ASP, SAIL has already implemented certain schemes which include installation of Argon Oxygen decarburization, replacement of Electric Arc Furnace and Oxygen plant on BOO basis. Further installation of 2nd ladle furnace is under consideration. At VISL, some schemes are under implementation such as installation of new Bloom caster and new Reheating furnace in primary mill. At ISP, SAIL has undertaken modernization & expansion to increase production of hot metal from 0.85 Mt to 2.91 Mt. SAIL has also undertaken modernization and expansion of its five integrated steel plants at Bhilai, Bokaro, Rourkela, Durgapur and IISCO Steel Plant and the Special Steel Plant at Salem. This will increase production of hot metal from base level of 14.6 million tonnes per annum (2006-07 actual) to 23.46 million tonne per annum under the current phase.

MoUs with States for mineral explorations

1635. SHRI SYED AZEEZ PASHA: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that a number of steel companies have entered into Memoranda of Understanding (MoUs) with the State Governments for mineral explorations;

(b) if so, the details thereof company-wise and State-wise;

(c) the number of companies which have been granted mining leases, company-wise, State-wise and mineral-wise; and

(d) the steps taken/proposed to be taken by Government to ensure constant supply of raw minerals like iron ore to the newly established steel companies?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP): (a) and (b) A number of steel investors have entered into Memoranda of Understanding (MoUs) for setting up of iron and steel plants in mineral rich states Jharkhand, Orissa and Chhattisgarh. The details of such proposal state-wise and project-wise are given in the Annexure (see Appendix 217 Annexure No. 14) as per the record of information available in the Ministry of Steel.

(c) The information is being collected from Ministry of Mines and concerned State Governments and will be laid on the table of the House.

(d) Government has approved National Mineral Policy, 2008, which inter-alia provides for preference to value adders in the allocation of captive mines of iron ore. Further, it may be stated that while considering National Mineral Policy, 2008, the Group of Ministers had decided that conservation of iron ore resources of the country is of paramount importance, however, the same