

Reduction in growth of steel

705. SHRI R.C. SINGH: Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that the percentage of growth of steel in the country is coming down from 2006-07;
- (b) if so, the reasons for reduction in percentage of growth of steel in the country;
- (c) the reasons for not picking up of steel consumption in rural areas of the country;
- (d) whether any survey has been conducted by the Ministry to find out the reasons for less consumption of steel in rural areas; and
- (e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP) : (a)

As per the data on production on crude steel in the country given below, the percentage growth of steel has declined marginally in the years 2007-08 and 2008-09 in comparison to the year 2006-07. However, it has increased in the year 2009-10 in comparison to the year 2008-09:-

Crude steel production (in million tonnes)

Year	Quantity	% change over last year
2006-07	50.82	9.4
2007-08	53.86	5.9
2008-09	58.44	8.5
2009-10*	64.88	11

Source : Joint Plant Committee (JPC); * = Provisional

(b) The production of steel depends upon inter play of various complex factors such as production capacity, capacity utilization, commercial viability, availability and cost of raw materials and the demand-supply situation in the global steel market. Moreover, the percentage growth is also a relative factor of the base line, which is steadily increasing on year by year basis.

(c) Low level of awareness on the varied benefits of using steel and the perception of steel as an expensive item amongst village people are the main reasons for steel consumption not picking up in rural areas of the country. Additionally, there are also related issues like inadequacy of infrastructure, which prevents selling of steel in villages/rural market, to be cost effective.

(d) To understand the pattern and potential of steel consumption in the Indian rural market, the Government has initiated a study on assessment of steel demand in the rural areas of the country.

(e) The study would cover 300 districts, 1500 villages, 4500 Manufacturers and 8000 Retailers, spread over all the 35 States and Union Territories of the country. The objective of the study is to assess trends in consumption pattern of different items of steel in the rural areas, by examining both a) the demand side *i.e.* Household and Community/Institutional uses; and b) the supply side *i.e.* manufacturers, Retailers. Additionally, the study would examine the potential for increasing the level of steel consumption, the nature of shifts and the extent of threat of substitution from competing materials.

Setting up of mini steel plants

706. SHRI NATUJI HALAJI THAKOR: Will the Minister of STEEL be pleased to state:

- (a) whether Government proposes to set up more mini steel plants in the country;
- (b) if so, the number of licences given by Government to install mini steel plants at Surat-Mehsana-Rajkot-Amreli and Bharuch and the basis on which these licences have been issued; and
- (c) the steps taken by Government to promote setting up of mini steel plants in the State of Gujarat?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP) : (a) and (c) According to the New Industrial Policy announced in July, 1991, steel industry has been de-licensed and removed from the list of industries reserved for the public sector subject to certain locational restrictions. No industrial licence is, therefore, required for setting up steel plants under the Industrial (Development and Regulation) Act, 1951 and the entrepreneurs are free to set up such plants anywhere in the country except in the restricted locations based on their commercial judgement. The role of Government is that of a facilitator for an overall and healthy growth of steel sector in the country.

(b) As per information furnished by Department of Industrial Policy and Promotion (DIPP), no licence has been issued by the Government of India for setting up of mini steel plants for the districts Surat, Mehsana, Rajkot, Amroli and Baruch during the last three years.

Breaking down of Bhilai Steel Plant

†707. SHRI ANIL MADHAV DAVE:
SHRI SHREEGOPAL VYAS:

Will the Minister of RAILWAYS be pleased to state:

- (a) the reasons for the breakdown in one of the power plants in Bhilai factory recently;
- (b) the number of days the plant remained closed and whether any enquiry has been made in this regard;

†Original notice of the question was received in Hindi.