(iv) Special Purpose Vehicle (SPV) framework adopted to encourage large capacity green field projects in iron ore rich States of Jharkhand, Odisha, Chhattisgarh and Karnataka.

(v) Public Sector Enterprises have undertaken expansion plans to increase the steel production capacity. SAIL has undertaken modernisation and expansion plan to enhance its crude steel production capacity from 12.8 MTPA to 21.4 MTPA. RINL has undertaken expansion of its capacity from 3 MTPA to 6.3 MTPA. NMDC has undertaken setting up of a new steel plant of 3 MTPA.

(vi) For reducing the stress in the domestic steel sector, Reserve Bank of India has extended 5:25 Scheme in July, 2015 whereby longer amortization periods for loans to projects has been allowed.

(vii) To ensure easy availability of critical raw materials for steel production at reasonable rates, the Government has kept the customs duty on import of these materials at low levels.

(viii) To encourage industrial sector and boost overall economic activity in the country, the Government has brought out reforms through simplified procedures for setting up various industries, including steel industries.

Impact of crisis in the EU and China steel market

1411. SHRI N. GOKULAKRISHNAN: Will the Minister of STEEL be pleased to state:

(a) how India looks at the crisis in the EU and China steel markets;

(b) how the above crisis impact domestic Indian steel companies as well as Indian steel companies operating abroad; and

(c) how the Ministry is going to help Indian companies to come out of this problem?

THE MINISTER OF STEEL (SHRI NARENDRA SINGH TOMAR): (a) and (b) The global steel industry is going through a severe downturn. Demand slowdown and global overcapacity have resulted in very low international steel prices. Major steel producing countries, particularly China, are adopting a predatory pricing strategy and exporting at prices, apparently lower than its cost of production, in a bid to capture markets like Europe as well as India. This has resulted in declining profitability of steel companies globally as well as for the Indian Steel Industry.

(c) In order to protect the steel sector and make it more competitive, the Government has taken following measures so far:—

(i) To ensure that only quality steel is produced or imported, Government has notified Steel and Steel Products (Quality Control) Orders, 2012 dated 12.03.2012 and Steel and Steel Products (Quality Control) Orders, 2015 dated 15.12.2015.

(ii) To increase availability of Coal and Iron Ore for the domestic steel industry:—

(a) Notified the Coal Mines (Special Provisions) Amendment Act, 2015 on 30.03.2015 to streamline coal block allocations.

(b) Notified the Mines and Minerals (Development and Regulation) Amendment Act, 2015 on 27.03.2015 to streamline grant of Mining Leases.

(iii) The Union Budget 2015-16 has raised peak rate of basic customs duty on both flat and non-flat steel to 15% from 10%.

(iv) Hiked import duty on ingots and billets, alloy steel (flat and long), stainless steel (long) and non-alloy long products from 5% to 7.5% and non-alloy and other alloy flat products from 7.5% to 10%. This was further revised in August, 2015 on flat steel from 10% to 12.5%, long steel from 7.5% to 10% and semi-finished steel from 7.5% to 10%.

(v) In November, 2014, instructions were issued to ensure import of rebars strictly as per Steel Product Quality Control Order, 2012, to block influx of cheap imports of boron added rebars.

(vi) In June, 2015, an Anti-Dumping Duty levied for five years on imports of certain variety of hot-rolled flat products of stainless steel from China ($ 309 per tonne), Korea ($ 180 per tonne) and Malaysia ($ 316 per tonne).

(vii) Imposed, in September, 2015, a provisional Safeguard Duty of 20% on hot-rolled flat products of non-alloy and other alloy steel, in coils of a width of 600 mm or more, for a period of 200 days.

(viii) Imposed, *vide* its notification dated 05.02.2016, the Minimum Import Price (MIP) condition on 173 steel products. Imports of items covered under this notification will not be allowed into the country below the notified price.

(ix) For reducing the stress in the steel sector, RBI has extended 5:25 Scheme in July, 2015, whereby longer amortization period for loans to projects in infrastructure and core industries sectors, say 25 years, based on the economic life or concession period of the project, with periodic re-financing, say every 5 years, is allowed.

Privatization of ITDC hotels

1412. DR. CHANDAN MITRA: Will the Minister of TOURISM be pleased to state:

(a) whether Government has decided to privatize certain hotels under India Tourism Development Corporation (ITDC);

(b) if so, the details thereof along with the reasons therefor;

(c) the reasons for which most of the ITDC hotels are incurring losses despite growth in both domestic and foreign tourist arrivals; and

(d) the fresh steps taken by Government to improve the working and financial performance efficiency of ITDC hotels?

THE MINISTER OF STATE OF THE MINISTRY OF TOURISM (DR. MAHESH SHARMA): (a) and (b) Yes, Sir. The Government is examining the proposal for leasing or selling the hotels under ITDC. The process has been initiated to obtain the approval of the State Governments concerned in respect of following properties of ITDC and its Joint Venture Companies where the land/building was leased out by the State Governments to ITDC or its Joint Venture Companies:

ITDC Hotels

(1) Hotel Jaipur Ashok, Jaipur

(2) Hotel Kalinga Ashok, Bhubaneswar

(3) Hotel Jammu Ashok, Jammu

(4) Incomplete Hotel project, Gulmarg

(5) Lalitha Mahal Palace Hotel, Mysore

Joint Venture Hotels (JVH)

(6) Hotel Brahmaputra Ashok, Guwahati

(7) Hotel Lake View Ashok, Bhopal

(8) Hotel Ranchi Ashok, Ranchi

The Ministry of Tourism, Government of India has issued an advertisement on 9th February, 2016 for selection of Transaction Advisor for transferring of following properties of ITDC: