

- (vii) Imposed Minimum Import Price (MIP) on 173 steel products in order to provide a level playing field to domestic producers against the injury caused as evident from the decline in margins of the producers.

**Protection to domestic steel manufacturers**

453. SHRI DEVENDER GOUD T.: Will the Minister of STEEL be pleased to state:

(a) to what extent the recent increase in import duty on long and flat steel products help domestic steel sector;

(b) the expected reduction of dumping by China due to increase in import duty;

(c) whether it is a fact that in view of sluggish demand in the world market and over-capacity in China, there is every possibility that China may further reduce its price; and

(d) in such a scenario, how Ministry is planning to protect the domestic steel manufacturers?

THE MINISTER OF STATE IN THE MINISTRY OF MINES (SHRI VISHNU DEO SAI): (a) Increase in import duty is a basic tool for controlling the flow of imports into the country. As per information available, the prices of various steel items have recovered to some extent in recent months and this is expected to improve the financial health of domestic steel sector. It is expected that big Integrated Steel Plants will now get some respite from inflow of cheaper steel products being dumped in India at predatory prices.

(b) It is difficult to predict future actions by China.

(c) Such possibility cannot be ruled out.

(d) A number of measures like raising of peak rate of basic customs duty, stringent quality check on imported steel items under Steel Products Quality Control Orders 2012 and 2015, imposition of Minimum Import Price (MIP), Safeguard/Anti-dumping duties etc. have already been taken by the Government to protect the domestic steel industry suffering from injury. Further action on this front, if required, would be decided by the Government based on future assessments.

**Package for the steel sector**

454. SHRI A. W. RABI BERNARD: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that Indian Steel makers have been struggling in the face of rising imports of cheap steel and slowing global demand, if so, the details thereof;

(b) whether nine out of top indebted steel firms have defaulted on one or more of their debt instruments and the total debt of these firms is ₹ 1.54 trillion or 41 per cent of the total debt;

(c) if so, the details thereof; and

(d) whether the Ministries of Steel and Finance are working on a package for the steel sector, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF MINES (SHRI VISHNU DEO SAI): (a) Yes, Sir. The global steel industry is going through a severe downturn. Demand slow down and global over capacity have resulted in very low international steel prices. Major steel producing countries are adopting a predatory pricing strategy and exporting at prices, apparently lower than its cost of production, in a bid to capture markets like India. This has resulted in declining profitability of Indian steel companies.

(b) and (c) Steel being a deregulated sector, no such information is maintained in the Ministry.

(d) Some domestic steel manufacturers associations and other stake holders have represented for working out a suitable comprehensive package to support steel sector. The representations have been forwarded to Department of Financial Services for consideration.

#### **Higher domestic price of steel than international price**

†455. SHRI MEGHRAJ JAIN: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that despite India being the major producer of iron ore and coal, the price of steel in our country is higher than the international prices;

(b) if so, the reasons therefor;

(c) whether the prices of steel have increased during the last three years, if so, the percentage of increase in the prices; and

(d) its impact on domestic industry, specially on forging industry?

THE MINISTER OF STATE IN THE MINISTRY OF MINES (SHRI VISHNU DEO SAI): (a) and (b) Price of steel products is compared to the domestic price of similar products in various countries and not export prices, since export prices donot include duties, taxes etc. The comparison of Indian and international domestic prices of various steel products during April, 2016 is given below. This will show that steel

---

† Original notice of the question was received in Hindi.