

by international players like China. In order to protect the interests of domestic steel industry and control dumping of products at predatory pricing by global steel producers with excess capacity, the Government has taken a number of steps including increasing Customs Duty, imposition of Minimum Import Price (MIP), Safeguard Duty and Anti-Dumping Duty on a number of steel products. The present status of the steel industry in the country is shown below:-

Period	Crude Steel Production (mt)	Total Finished Steel (non-alloy + alloy) (mt)			
		Production for sale	Import	Export	Consumption
April-Oct., 2016-17*	56.25	57.75	4.13	3.57	48.12

Source: JPC; *Provisional

Steps to increase productivity of steel industry

3179. SHRI SANJAY RAUT: Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that many Indian iron and steel industries are facing lots of problems to survive their existence in the country;
- (b) if so, the details thereof and Government's response thereto;
- (c) whether it is also a fact that per capita labour productivity of steel per year is at 90-100 tonnes, which is one of the lowest in the world;
- (d) if so, the details thereof; and
- (e) the details of steps taken or proposed to be taken by Government to increase the productivity of steel industry?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI VISHNU DEO SAI): (a) and (b) Yes, Sir. With the slowdown in global demand for steel and increase in the capacity of steel plants, industry is facing historically low international steel prices and surge in cheap imports in India, has resulted in decline of domestic steel prices. Lower prices have led to the erosion of profit margins and lower sales realization.

The Government has taken the following steps to promote domestic steel sector.

- (i) 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.

- (ii) Increase the peak rate of basic customs duty on both flat and non-flat steel to 15% from 10% in the Union Budget 2015-16.
- (iii) Amended the Steel and Steel Products (Quality Control) Order, 2012, in December, 2015 to ensure that only quality steel is produced/imported in India.
- (iv) Increased the import duty on ingots and billets, alloy steel (flat and long), stainless steel (long) and non-alloy long products to 7.5% (from 5%) and non-alloy and other alloy flat products to 10% (from 7.5%). This has been further revised in August, 2015. Currently, import duty on flat steel is applicable at 12.5%, on long steel products at 10% and on semi-finished steel products at 10%.
- (v) Levied the Anti-Dumping Duty 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).
- (vi) Imposed the Safe Guard Duty of 20% in march, 2016 on hot-rolled flat products of non-alloy and other alloy steel, in coils of width of 600 mm or more.
- (vii) To provide a level playing field to domestic producers Government has Imposed Minimum Import Price (MIP) initially on 173 steel products and out of these on 19 steel products it is extended till 4th February, 2017 *vide* DGFT Notification No. 31/2015-2020 dated 03.12.2016.

(c) and (d) The labour productivity varies from plant to plant depending upon the technology, level of integration, efficiency, extent of out sourcing etc. And, therefore, inter-plant and inter-country comparisons may not necessarily reflect the efficiency in use of human resources only. Labour productivity is an operational and management issue which depends on technology, operational practices, cost of capitals etc. The Government has no direct role in raising labour productivity in the steel plants.

(e) Government has taken following steps to increase the productivity of steel industry:-

- (i) The Government has launched the 'Make-in-India' initiative to focus on manufacturing and infrastructure, which will help in promoting the demand and consumption of steel in the country.

- (ii) The public sector enterprises in the steel sector have undertaken expansion and modernization of their steel plants to increase production of steel.
- (iii) To ensure that only quality steel is produced and imported, Government has notified Steel and Steel Products (Quality Control) Orders dated 12.03.12 and 04.12.15.
- (iv) Government has notified Mines and Minerals Development and Regulation (MMDR) Act, 2015 to streamline grant of Mining Leases in order to maintain sufficient availability of raw materials for various sectors including steel sector.
- (v) To provide level playing field to the domestic steel producers, Government has extended Minimum Import Price (MIP) on 19 steel products till 4th February, 2017 *vide* DGFT Notification No. 31/2015-2020 dated 03.12.2016.

Loss faced by plants of SAIL

†3180. SHRI AMAR SHANKAR SABLE: Will the Minister of STEEL be pleased to state:

(a) whether Government proposes to hand over three steel plants named Salem, Bhadravati and Chandrapur of Steel Authority of India Limited (SAIL) into private hands due to heavy loss; and

(b) the total loss incurred by these three plants along with the total plants of SAIL facing loss, the plant-wise details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI VISHNU DEO SAI): (a) The Government has accorded 'in-principle' approval of strategic disinvestment of Visvesvaraya Iron and Steel Plant (VISL), Bhadravati, Salem Steel Plant (SSP), Salem and Alloy Steel Plant (ASP), Durgapur.

(b) The total loss incurred by VISL, SSP and ASP alongwith the performance of total plants of SAIL (Plant-wise) is as under:

(₹ in crore)					
Plant/Unit	2011-12	2012-13	2013-14	2014-15	2015-16
Bhilai Steel Plant	2715	2048	2085	2232	405
Durgapur Steel Plant	503	553	416	506	-527
Rourkela Steel Plant	646	363	212	232	-2524
Bokaro Steel Plant	703	308	202	451	-2203

† Original notice of the question was received in Hindi.