

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**LOK SABHA**  
**UNSTARRED QUESTION NO.1233**  
FOR ANSWER ON 19/09/2020

**DECLINE IN STEEL DEMAND**

1233. SHRIMATI KIRRON KHER:

Will the Minister of STEEL be pleased to state:

- (a) whether the steel industry has seen a decline in the demand for steel in the ongoing financial year and if so, the details thereof;
- (b) whether the decline in demand has led to a surplus of steel and if so, the details thereof;
- (c) whether the Government is exploring options to increase the export of steel to countries in Southeast Asia or Middle East; and
- (d) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

- (a) The details of consumption of total finished steel (non-alloy and alloy/stainless) in India during current year i.e. April-August, 2020 and the corresponding period of last year are as following:-

Item	Total Finished Steel (alloy + non-alloy)		
	April- August 2020 (mt)*	April- August 2019 (mt)	% change*
Consumption	26.41	42.54	-37.9

Source: Joint Plant Committee Report; mt=million tonnes; \*Provisional

- (b) As the availability of total finished steel during April-August, 2020 has also decreased as indicated below, the decline in demand has not led to a surplus:-

Item	Total Finished Steel availability (alloys/stainless and non-alloy) from April- August 2020 (mt)*
a) Total Production	29.05
b) Imports	1.67
c) Exports	5.68
Availability (a+b-c)	25.04

Source: Joint Plant Committee Report; mt=million tonnes; \*Provisional

Contd.....2/-

(c)&(d): As Steel is a de-regulated sector, Steel companies take their own decisions based on commercial considerations and market dynamics, both for domestic as well as overseas trade. However, Government has taken various steps to boost export competitiveness viz.:-

- (i) Export promotion schemes like Merchandise Exports from India Scheme (MEIS), Market Access Initiative, Export Promotion Council, Advance Authorization, Export Promotion of Capital Goods (EPCG) etc.
- (ii) Maintaining very low import duty on critical inputs like coking coal, iron ore, steel scrap, nickel etc.
- (iii) Promoting multi model logistics and enhancing use of inland waterways and coastal shipping to reduce logistics cost.
- (iv) Allocation of captive iron ore mines and focus on steel clusters to help steel sector become more competitive for enhanced exports.

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