

**LOK SABHA**  
**UNSTARRED QUESTION NO.2162**  
FOR ANSWER ON 24/12/2018

**STEEL CONSUMPTION**

2162. SHRI A. ARUNMOZHITHEVAN:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that the Steel sector which is on a consolidation mode now under the IBC process amidst strong domestic demand, is unlikely to witness any green field expansion as mill owners are likely to go in for brown field expansion at least for the next half a decade or so and if so, the details thereof;
- (b) whether it is also true that the domestic steel demand touched 91 million tonnes in fiscal 2018, making the country the third largest consumer of the alloy in the world and if so, the details thereof; and
- (c) whether it is also true that the demand is expected to be quite robust at nearly 7-8 per cent in the coming year and if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a) Steel is a de-regulated sector. Government plays the role of a facilitator. The decision on expansion, either by green field or brown field process is prerogative of the mill owners and their assessment of the commercial success of such ventures depends on as and when they wish to execute the same. The impact of consolidation of the industry through IBC process on investment in green field project cannot be assessed in a short run.

(b) The consumption of total finished steel in the country during fiscal 2018 i.e. 2017-18 was 90.71 million tonnes (Source: Joint Plant Committee).

Details regarding India was 3<sup>rd</sup> largest finished steel consumer in the world is given in **Annexure-I**.

(c) The consumption of finished steel has grown at 7.9% in the first seven months of the current fiscal 2018-19. However, the market is volatile and undergoes cyclical change. Therefore, predicting at 7-8 percent growth rate for the coming year will depend on the performance of the macro economic fundamentals in the economy. The details regarding consumption growth are given in **Annexure-II**.

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**Annexure-I**

**ANNEXURE-I AS REFERRED TO REPLY TO PART (b) OF LOK SABHA UNSTARED QUESTION NO. 2162 FOR ANSWER ON 24-12-2018.**

**Major finished steel consumer in the world**

<b>Top 10 finished steel consumers in the world, 2017</b>		
<b>Rank</b>	<b>Country</b>	<b>Qty. (mt)</b>
1	China	736.8
2	USA	97.7
3	India	88.7
4	Japan	64.4
5	South Korea	56.4
6	Germany	41.0
7	Russia	40.6
8	Turkey	36.1
9	Mexico	26.4
10	Italy	24.6
<b>Total: Top 10</b>		<b>1212.7</b>
<b>World</b>		<b>1595.4</b>
Source: world steel; provisional except India; mt=million tonnes		

**Annexure-II**

**ANNEXURE-II AS REFERRED TO REPLY TO PART (c) OF LOK SABHA UNSTARED QUESTION NO. 2162 FOR ANSWER ON 24-12-2018.**

<b>Year</b>	<b>Real Consumption in Thousand tonnes</b>	<b>Growth Rate Percentage</b>
2017-18	90708	7.9
Apr. – Oct. 2017	51904	
Apr. – Oct. 2018	55992	7.9
Source: JPC		

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