

GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO.4365
FOR ANSWER ON 22/03/2021

DECLINE IN STEEL DEMAND DURING PANDEMIC

4365. SHRI S. MUNISWAMY:
DR. VISHNU PRASAD M.K.:
DR. PRITAM GOPINATHRAO MUNDE:

Will the Minister of STEEL be pleased to state:

- (a) whether there has been a sharp decline in the demand of steel products due to global Corona Pandemic and if so, the details thereof;
- (b) whether any State has got affected the most by the same and if so, the details thereof, particularly in case of Tamil Nadu, Kerala and Karnataka States; and
- (c) whether the Government has formulated any action plan/ package to tackle the situation and if so, the details thereof ?

ANSWER

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

(a) The demand/consumption of finished steel in the country had sharply reduced during the period from April to June, 2020 following the Corona Pandemic. With the gradual unlocking measures undertaken by the government, the consumption of finished steel has since recovered and even crossed the previous year's level during the recent months. The details of consumption of finished steel during April, 2020 - February, 2021 and CPLY are given in the table below:-

Consumption of Finished Steel (in million tonnes)		
Month	FY 2019-20	FY 2020-21
April	7.33	1.09
May	8.85	4.79
June	8.59	6.35
July	8.57	7.69
August	9.19	8.16
September	8.45	8.46
October	8.83	9.38*
November	7.77	9.17*
December	8.65	10.16*
January	9.17	9.70*
February	8.55	9.13*

Source: Joint Plant Committee (JPC); *provisional

(b) The State-wise consumption figures are not maintained. However, various States have been adversely affected by the Corona Pandemic related lockdown restrictions and associated disruptions such as raw material scarcity, transportation related issues, limited availability of manpower and reduced demand for finished steel.

(c) To increase the domestic production, availability and usage of steel, in the light of Corona Pandemic, the Government has taken the following measures:-

(i) Ministry of Steel has held several rounds of consultations during the lockdown period with various stakeholders including industry associations and leaders of domestic steel industry to address their issues including those arising due to lockdown by taking up the same with the concerned Ministries/Departments of the Central Government and State Governments. Guidelines issued by the Ministry of Home Affairs from time to time have facilitated speedy resumption of steel production. The Ministry of Steel has also organized the following Webinars with relevant stakeholders to enhance the overall demand for steel in the country:-

- (a) Oil and Gas Sector, 16th June, 2020.
- (b) Ispati Irada, Enhancing Steel Usage, 30th June, 2020.
- (c) Housing and Civil Aviation Sector, 18th August, 2020.
- (d) Agriculture, Rural Development, Dairying and Food Processing Sectors, 20th October, 2020.

(ii) Domestically Manufactured Iron & Steel Products (DMI&SP) Policy, has been suitably amended vide notification dated 31st December, 2020, in order to align it to the revised Public Procurement (Preference to Make in India) Order 2017. The minimum value addition has been enhanced from 15% to 20% and the policy is now applicable to all procurement above Rupees 5 lakhs and includes EPC contracts among other changes.

(iii) Inclusion of 'specialty steel' under the Production Linked Incentive (PLI) Scheme recently announced by the Government to help attract capital investment and production of specialty steel in the country.

(iv) The Government, vide Notification dated 01st October, 2020, has allowed domestic steel producers to provide steel under four product categories (Hot Rolled Coil, Cold Rolled Coil, Wire Rods and Alloy Steel Bars) to MSME members of EEPCC at an export parity price.
