

LOK SABHA
UNSTARRED QUESTION NO.5025
FOR ANSWER ON 26/03/2018

CHEAP STEEL IMPORTS

5025. SHRI RAHUL SHEWALE:
SHRI KRUPAL BALAJI TUMANE:
SHRI ARVIND SAWANT:
SHRI SANJAY DHOTRE:
SHRIMATI BHAVANA PUNDALIKRAO GAWALI PATIL:
SHRI BHARTRUHARI MAHTAB:

Will the Minister of STEEL be pleased to state:

- (a) whether the steel industry has been facing difficulties due to rising cheaper steel imports and decline in domestic and global steel demand, if so, the details thereof along with the reaction of the Government thereto;
- (b) the quantum of indigenous steel produced and imported in the country during each of the last three years and the current year;
- (c) whether the Government has received any representation from various domestic steel manufacturers against surge in steel imports during the said period, if so, the details thereof along with the remedial action taken/proposed to be taken by the Government thereon;
- (d) whether the leading steel companies including public sector undertakings of the country are incurring heavy losses, if so, the details thereof and the reasons therefor;
- (e) whether the Government proposes to provide a special package to steel industry to enable it to come out of crisis, if so, the details thereof; and
- (f) the other steps taken/proposed to be taken by the Government to protect and promote the domestic steel industry against the cheap steel imports?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a)to(c): Indian Steel companies were facing a lot of challenges due to dumping of steel from steel majors in the past. There was 75.5% increase in imports of total steel (Alloy + Non Alloy) in 2014-15. The domestic steel prices had a sharp downward trend during 2014-15, which continued into 2015-16. Domestic steel manufacturers filed application for appropriate trade remedial measures with the designated authority. The Government accordingly notified measures such as Anti Dumping Duty (ADD), Countervailing Duty (CVD) and Safeguard Duty (SD) to contain unfair trade. These remedial actions taken by Government contained unfair trade. The quantum of indigenous steel produced and imported during last three years and current year is as follows:-

(Quantity in Million Tonnes)

Financial Year	Steel Production for Sale (MT)	Imports (MT)
2014-15	92.15	9.3
2015-16	90.9	11.7
2016-17	100.7	7.2
2017-18 Apr-Jan	88.37	6.45

Source: JPC

Contd.....2/-

(d) The annual financial performance of some of the major steel companies including public sector manufacturers is as under:-

Name of Company	Profit After Taxes (Rupees Crore)			
	2013-14	2014-15	2015-16	2016-17
SAIL	2616.48	2092.68	-4137.26	-2833.24
RINL	366.45	62.38	-1420.64	-1235.62
Tata Steel Ltd.	6412.19	6439.12	955.65	3444.55
JSW Steel Ltd.	1334.51	2166.48	-3498.28	3576.54
JSPL	1291.95	-310.68	-1018.88	-986.45
Bhushan Steel Ltd.	61.96	-1253.83	-2839.37	-3501.12
Source: ERU				

Leading steel companies generally suffered losses during the year 2015-16 inter-alia due to unfair trade and decreasing prices. The financial performance improved after the government took remedial measures. The financial performance of major steel companies during first three quarters of 2017-18 is as under:-

Name of the Company	Profit After Taxes (Rupees Crore)		
	June, 2017	September, 2017	December, 2017
SAIL	-801.38	-538.32	47.48
RINL	-430.59	-295.58	-
Tata Steel Ltd.	377.30	1213.14	1474.20
JSW Steel Ltd.	282.00	883.00	1410.00
JSPL	-177.06	-254.56	-73.07
Bhushan Steel Ltd.	-750.07	-467.43	-1606.63
Source: ERU			

(e)&(f): The Government is not planning to give any special package to the steel industry. Steel is a deregulated sector. The Government does not interfere with the free and fair trade of the steel products. On the basis of application filed by domestic steel manufacturers, Government initiates and notifies trade remedial measures like Anti Dumping Duty (ADD), Countervailing Duty (CVD) and Safeguard Duty (SD) following due process.
