

LOK SABHA
UNSTARRED QUESTION NO.964
FOR ANSWER ON 17/12/2018

CRUDE STEEL PRODUCTION

964. SHRI M. CHANDRAKASI:

Will the Minister of STEEL be pleased to state:

- (a) the quantum of crude steel produced and consumed in the country during the last three years and the current year;
- (b) whether any study has been conducted to assess the pattern of demand for steel in future;
- (c) if so, the details and the findings thereof;
- (d) the financial performance of domestic steel industry during the last two years and reasons for depressed condition of domestic steel industry; and
- (e) the steps taken/being taken to address the issues affecting steel companies/industry in the country?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a) Data on production of crude steel and consumption of finished steel by India during the last three years i.e. 2015-16, 2016-17, 2017-18 and current year is shown below:-

Year	Crude steel Production (mt)	Finished Steel Consumption (mt)
2015-16	89.79	81.52
2016-17	97.94	84.04
2017-18	103.13	90.71
April-October 2018*	61.03	55.99

Source: JPC; *provisional

(b)&(c): Yes, Madam. The broad sectors covered under the Study are Infrastructure and Construction, Defence, Automobiles, Consumer and Capital Goods.

(d) The financial performance of domestic steel industry during the last two years are given below:-

Performance of Major Steel Companies

(figs. in Rs. Crores)

Name of the Company	Profit After Taxes	
	2016-17	2017-18
Steel Authority of India Limited (SAIL)	-2833	-481.71
Rashtriya Ispat Nigam Limited (RINL)	-1263	-858
Tata Steel	3444.55	4169.55
JSW	3576.54	4625
JSPL	-986.45	-361.61

Source: Company website

Contd.....2/-

Imports had adversely impacted the domestic steel prices and the viability of domestic steel producers. Declining prices led to lower sales realization for domestic steel producers. Indian steel companies witnessed severe erosion in their profits in the period. Lower realizations and resulting losses led to steel companies' impaired capability to service their debts which aggravated the bad debts problem in the sector.

(e) The Government has taken the following steps to address the issues affecting steel companies/industry in the country the issues:-

- Notified various trade remedial measures such as Minimum Import Price (MIP), Anti-Dumping Duty and Safeguard Duty;
- Easing out financial restructuring norms through Reserve Bank of India (RBI) and Ministry of Finance v.i.z 5:25 scheme and Scheme for Sustainable Structuring of Stressed Assets (S4A);
- Initiated processes to reduce input cost, replace imports & enhance domestic consumption;
- Policy for providing preference to Domestically Manufactured Iron and Steel products in Government Procurement;
- Establishment of Steel Research Technology Mission of India (SRTMI); Modified GFR guidelines to incorporate life cycle cost analysis while formulating the design and specification in the public/PPP projects which will create further demand of steel and hence incentivize steel companies to increase production capacity.
