

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.2066
FOR ANSWER ON 02/08/2017

ADDING OF NEW STEEL CAPACITIES

2066. SHRI A.K. SELVARAJ:

Will the Minister of STEEL be pleased to state:

- (a) whether Government's ambition to add 182 million tonnes of new steel capacities over the next 14 years under the National Steel Policy is unlikely to be achieved;
- (b) whether it is also a fact that only 60 million tonnes of capacity has been added in the past decade and stagnant demand in the past five years had aggravated the debt position of the sector;
- (c) whether it is also a fact that several global steel majors have scrapped various Greenfield steel projects, owing to land acquisition and raw material linkage issues; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a) India has crude steel capacity of 126 million tonnes as on March, 2017. The National Steel Policy (NSP) 2017, envisages to enhance the domestic crude steel capacity to 300 million tonnes by 2030-31. This is shown below which indicates an addition of 174 mt of Capacity as compared to 2016-17 (prov.) in the next 14 years.

Year	Crude steel capacity (mt)
2016-17*	126.33
2030-31^	300
Increase	173.67
Source: JPC; *Provisional, ^ Projected as per NSP 2017	

(b) Crude steel capacity added during 2007-08 to 2016-17 is 66.49 million tonnes. During this period, the domestic finished steel consumption grew by 6% CAGR (Compounded Annual Growth Rate) and hence the reason for the financial health of the steel sector cannot be attributed to stagnant steel demand. However, the financials of steel companies were adversely affected due to significant price fall of steel commodities and increase in imports of total finished steel (71%) during 2014-15.

(c)&(d): Decision to set up steel project is taken by individual investor based on various factors like location of land, availability of raw materials, economic viability of project, logistics, etc. In order to ensure availability of raw materials, Government has come up with Mines and Minerals (Development and Regulation) Amendment Act, 2015 and Coal Mines (Special Provisions) Act, 2015.
