

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.2042
FOR ANSWER ON 11/05/2016

CONSUMPTION AND IMPORT OF FINISHED STEEL

2042. SHRI A.U. SINGH DEO:

Will the Minister of STEEL be pleased to state:

- (a) whether consumption and import of finished steel increased in the last year, if so, the details thereof;
- (b) whether Government has taken cognizance of the dumping of cheap steel products into the country, if so, the details thereof and action taken and if not, the reasons therefor;
- (c) whether safeguards have been introduced to protect domestic industries against cheap foreign steel, if so, the details thereof and if not, the reasons therefor; and
- (d) whether Government has taken measures to push the growth of the steel industry if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI VISHNU DEO SAI)

(a) Yes, Sir. Consumption and import of total finished steel increased during the last year as per details given below:

Total Finished Steel (in MT)		
Year	Consumption	Imports
2015-16*	80.45	11.71
2014-15	76.99	9.32
Growth %	4.5	25.7

Source: JPC *Provisional

(b)to(d): Steel being a deregulated sector, the role of Government is limited to that of a facilitator for the growth of steel industry in the country. Decision relating to production, export, import, etc. of various categories of steel are, therefore, the sole decision of the individual steel manufacturer based on various factors like demand-supply for various items/grades of steel in the domestic market, fluctuations in value of currency, import regulations, etc. In order to ensure growth and protection to domestic steel industry and control cheap imports, the Government has taken the following measures :

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- (i) To ensure that only quality steel is produced or imported, Government has notified Steel & Steel Products (Quality Control) Orders, 2012 dated 12.03.2012 and Steel & Steel Products (Quality Control) Orders, 2015 dated 15.12.2015.
- (ii) To increase availability of Coal and Iron ore for the domestic steel industry:
 - (a) Notified the Coal Mines (Special Provisions) Amendment Act, 2015 on 30.03.2015 to streamline coal block allocations.
 - (b) Notified the Mines and Minerals (Development and Regulation) Amendment Act, 2015 on 27.03.2015 to streamline grant of Mining Leases.
- (iii) The Union Budget 2015-16 had raised peak rate of basic customs duty on both flat and non-flat steel to 15% from 10%.
- (iv) Hiked import duty on ingots & billets, alloy steel (flat & long), stainless steel (long) and non-alloy long products from 5 % to 7.5% and non-alloy and other alloy flat products from 7.5% to 10%. This was further revised in August, 2015 on flat steel from 10% to 12.5%, long steel from 7.5% to 10% and semi-finished steel from 7.5% to 10%.
- (v) In November, 2014, the import of rebars was ensured strictly as per Steel Product Quality Control Order, 2012, to block influx of cheap imports of boron added rebars.
- (vi) Imposed in June, 2015, an Anti-Dumping Duty for five years on imports of certain variety of hot-rolled flat products of stainless steel from China (\$ 309 per tonne), Korea (\$ 180 per tonne) and Malaysia (\$ 316 per tonne).
- (vii) Imposed, Safeguard Duty of 20% in March 2016 on hot-rolled flat products of non-alloy and other alloy steel, in coils of width of 600 mm or more.
- (viii) Imposed, vide its notification dated 05.02.2016, the Minimum Import Price (MIP) condition on 173 steel products. Imports of items covered under this notification will not be allowed into the country below the notified price.
- (ix) For reducing the stress in steel sector, RBI has extended 5:25 scheme in July 2015 whereby longer amortization period for loans to projects in infrastructure and core industries sectors, say 25 years, based on the economic life or concession period of the project, with periodic re-financing, say every 5 years is allowed.
