

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.1105
FOR ANSWER ON 27/12/2017

PREFERENCE TO DOMESTICALLY PRODUCED IRON AND STEEL

1105. SHRI N. GOKULAKRISHNAN:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that Government has decided to give preference to domestically produced iron and steel in Government purchases in a bid to buoy the industry that has been complaining of pressure from cheap imports from China;
- (b) if so, the details thereof;
- (c) whether it is also a fact that cheap imports and depressed demand have also impacted the finances of several steel companies which in turn are finding it difficult to repay loan; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a)&(b): The Government has notified Policy for Providing Preference to Domestically Manufactured Iron & Steel Products in Government procurement on 8th May, 2017. This policy provides preference to specified goods with specified minimum value addition in Government procurement.

(c)&(d): The global slowdown in 2014-15 and overcapacity at global level resulted in low international steel prices. The steel producers in countries with overcapacity resorted to dumping their products. Between January, 2014 and March, 2016, global steel prices declined by about 35%. Imports of finished steel in India in 2014-15 increased by 71% and another 26% in 2015-16 (year on year). Such imports and low price had adversely affected the earning margins of domestic steel producers thereby affecting including their debt services capability.
