

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.1218**  
FOR ANSWER ON 03/12/2014

**STEPS TO MAKE STEEL INDUSTRY GLOBALLY COMPETITIVE**

1218. SHRI HUSAIN DALWAI:

Will the Minister of STEEL be pleased to state:

- (a) India's position in the world in so far steel production is concerned;
- (b) whether India has been lagging behind other major steel producing countries in terms of techno-economic efficiency of operations;
- (c) if so, the details thereof including factors responsible for this shortcoming;
- (d) whether this has made Indian steel industries less competitive in the world steel market; and
- (e) the steps proposed to be taken to make Indian steel industry globally competitive?

**ANSWER**

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

(a) As per the rankings released by the World Steel Association (WSA), India was the fourth largest producer of crude steel in the world in 2013.

(b)&(c): Yes, Sir. The following are the techno-economic parameters of the Indian Steel Industry vis-à-vis the global standards:-

Item	Global Steel Industry	Indian Iron & Steel Industry
Blast Furnace Productivity (tons /day /m3 of working volume)	2.5-3.5	1.5-2.5/2.8
Coke rate (Kg / Ton of Hot Metal)	300-350	400-520
Blast Furnace Pulverized Coal Induction (BF PCI) (kg / Ton of Hot Metal)	150-200	50-200
Energy Consumption (Gcal /Ton of Crude Steel)	4.5-5.5	6-6.5
CO <sub>2</sub> emission (ton / Ton of Crude Steel)	1.8-2.0	2.0 – 3.0

The green-field steel plants set up in the 1990's or thereafter, have mostly adopted state-of-the-art technologies. Within a very short span of time, most of these plants have also expanded their capacities many-fold, adopting in the process, clean and green state-of-the-art technologies. However, the pace of modernization, renovation and expansion in some of the older plants has remained slow. This, together with certain constraints in raw material quality, summarily explains the poor techno-economic performance of these steel plants in the country.

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(d) There are number of other parameters such as transportation cost, raw material cost, access to market which also have a bearing on competitiveness. It may be mentioned that in the last Financial Year, India was a marginal net exporter of Steel.

(e) Steel is a deregulated sector and the onus of improving techno-economic performance and improving competitiveness lie with individual steel companies. However, the Government is taking various steps for increasing investment, production, Research & Development and value addition for the Iron & Steel Industry. Government is providing financial assistance for Research & Development in the Iron & Steel Sector being pursued by Steel Companies, R&D Laboratories and Academic Institutions to address the technological challenges faced by the Industry.

Besides the above, Steel Companies have also taken up large scale expansion of capacities & upgradation of technology. The steel companies are also pursuing company specific R&D programmes which inter-alia covers:

- Raw Materials upgradation,
- Improvement in Process/ Technology, Products and Productivity,
- Development of new products & improvement in Quality, and
- Improvement in Energy consumption & Environment Management.

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