

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.4769
FOR ANSWER ON 09/05/2013

CAPACITY OF STEEL PRODUCTION

4769. DR. KANWAR DEEP SINGH:

Will the Minister of STEEL be pleased to state:

- (a) the existing capacity for steel production in the country as on March 31, 2013;
- (b) the demand for steel in the country over the last five years;
- (c) whether over the next few years, considering the expansionary plans of steel producers, the steel industry may face a situation of over-capacity;
- (d) if so, the details thereof and the proposed plan of action to address the situation; and
- (e) if not, the reasons therefor?

ANSWER

THE MINISTER OF STEEL

(SHRI BENI PRASAD VERMA)

(a) Provisional data released by Joint Plant Committee (JPC) indicates that domestic crude steel capacity in 2012-13 (i.e. as of March 31, 2013) was 96.71 million tonnes (mt).

(b) Data on real consumption of total finished steel (alloy + non-alloy) in the country in the last five years is given below:-

Year	Real Consumption Total Finished Steel (mt)
2008-09	52.35
2009-10	59.34
2010-11	66.42
2011-12	71.02
2012-13*	73.33
Source: JPC; *provisional	

(c) Considering the expansion plans of leading domestic steel producers, the Report of the Working Group on Steel Industry for the 12th Five Year Plan has projected that by 2016-17 (the terminal year of the Plan period), domestic crude steel capacity is likely to be 140 MT and domestic crude steel production, 126 MT which indicates a capacity utilization of 90%.

(d) Steel being a deregulated sector, the role of the Government is limited to that of a facilitator and to provide conducive policy environment. As a facilitator, the Government had earlier released the National Steel Policy 2005 which is being updated currently, has laid down the broad roadmap for encouraging demand side growth for the Indian steel industry by 2020. Vision for encouraging growth in domestic demand has also been laid down in the Report of the Working Group on Steel for the 12th Five Year Plan. Steps are also being taken at various platforms to address issues related to enhancement of the domestic demand of steel, specially with regard to the rural markets.

(e) Does not arise in view of (d) above.
