

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO. 2231
FOR ANSWER ON 13/12/2024

UNSOLD INVENTORY OF STEEL DUE TO RISING IMPORTS

2231. SHRI RAGHAV CHADHA:

Will the Minister of Steel be pleased to state:

- (a) whether the Indian steel companies are struggling with an unsold inventory due to rising imports;
- (b) the reasons for the surge in steel imports, particularly from countries with which India has trade agreements;
- (c) the steps taken to support domestic steel industry and prevent unfair competition from imports;
- (d) the details of tariffs, safeguards, or anti-dumping measures implemented to protect the domestic steel sector in the past five years; and
- (e) the long-term strategy proposed to address inventory issues and strengthen competitiveness of India's steel industry?

ANSWER

THE MINISTER OF STEEL

(SHRI H.D.KUMARASWAMY)

(a)to(e): Steel is a deregulated sector and the government acts as a facilitator by creating a conducive policy environment for the development of steel sector in the country. The decision regarding import and export are taken by steel companies based on techno-commercial considerations and market dynamics.

The data of Stock of Finished Steel with Indian Steel Companies for the last five financial year and the current year is as under:-

As on	Finished Steel Stock (in MnT)
31.03.2020	13.69
31.03.2021	8.97
31.03.2022	7.99
31.03.2023	10.59
31.03.2024	14.29
30.11.2024*	14.23
Source: Joint Plant Committee(JPC); *provisional	

The details of tariffs, safeguards, or anti-dumping measures implemented to protect the domestic steel sector in the past five years are as below:-

- (i) Currently, steel products attract basic customs duty ranging from 5% to 15%, Import of certain steel products from USA attract custom duties in the range of 20% to 27.5%.

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(ii) Anti Dumping Duty (ADD) measures pertaining to some steel products like seamless tubes, pipes and hollow profiles of iron, alloy, or non-alloy steel (other than cast iron and stainless steel) (from China PR), electro-galvanized steel (from Korea RP, Japan, Singapore), stainless-steel seamless tubes and pipes (from China PR), welded stainless steel pipes and tubes (from Vietnam and Thailand) are in place currently.

(iii) Countervailing Duty (CVD) is in place for Welded Stainless Steel Pipes and Tubes from China and Vietnam.

(iv) In the Union Budget 2024-25, following measures were taken to support domestic manufacturers and boost domestic steel manufacturing:-

- a. Basic Customs Duty (BCD) has been reduced from 2.5% to Nil on Ferro-Nickel and Molybdenum ores and concentrates which are raw materials for steel industry.
- b. BCD exemption on Ferrous Scrap has been continued upto 31.03.2026.
- c. The exemption on specified raw material for manufacture of Cold Rolled Grain Oriented (CRGO) steel has been continued up to 31.3.2026. Further, the exemption has also been extended to such specified raw materials for manufacture of CRGO Steel falling under tariff item 7226 11.00.

The Government has taken the following steps to support domestic steel industry and strengthen competitiveness of India's steel industry: -

- i. Implementation of Domestically Manufactured Iron & Steel Products (DMI&SP) Policy for promoting 'Made in India' steel for Government procurement.
- ii. Launching of the Production Linked Incentive (PLI) Scheme for Specialty Steel to promote the manufacturing of 'Specialty Steel' within the country and reduce imports by attracting capital investments. The anticipated additional investment under the PLI Scheme for Specialty Steel is Rs. 27,106 crores with downstream capacity creation of around 24 million tonnes (MT) for specialty steel.
- iii. Revamping of Steel Import Monitoring System (SIMS) 2.0 for more effective monitoring of imports to address the concerns of domestic steel industry.
- iv. Coordination with Ministries and States, besides other countries for facilitating the availability of raw material for steel making on more favourable terms.
- v. Notification of Steel Scrap Recycling Policy to enhance the availability of domestically generated scrap.
- vi. Introduction of Steel Quality Control Order thereby banning sub-standard/ defective steel products in domestic market as well as imports to ensure the availability of quality steel to the industry, users and public at large. As per the order, it ensured that only quality steels conforming to the relevant BIS standards is make available to the end users. As on date, 151 Indian Standards stands notified under the Quality Control Order covering carbon steel, alloy steel and stainless steel.
