

GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO. 1189
FOR ANSWER ON 03.12.2024

STEEL MANUFACTURING CAPACITY

1189. SHRI DULU MAHATO:
SHRI BIDYUT BARAN MAHATO:

Will the Minister of STEEL be pleased to state:

(a) the details of initiatives taken to increase steel manufacturing capacity and maintain competitiveness in the national and global steel markets in Jharkhand, particularly in Dhanbad;

(b) the manner in which the Government proposes the infrastructure, such as transportation (rail, road and ports) and power supply, to support the growth of the steel industry in Jharkhand and ensure the efficient movement of raw materials and finished products; and

(c) whether there are incentive policies to encourage steel companies in Jharkhand to prioritize local recruitment and provide jobs to the residents of the State, especially in regions around Jamshedpur?

ANSWER

THE MINISTER OF STEEL

(SHRI H. D. KUMARASWAMY)

a) Steel is a deregulated sector and government acts as a facilitator. The decision regarding increasing manufacturing capacity is taken by industry based on techno-commercial considerations including raw material availability, distance from port, logistics etc. The Government has taken the following measures to create a conducive policy environment for boosting the steel sector in the country including Jharkhand:-

i. Promotion of 'Made in India' steel and expanding investments:-

- a. Implementation of Domestically Manufactured Iron & Steel Products (DMI&SP) Policy for promoting 'Made in India' steel for Government procurement.
- b. Launch 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, downstream capacity creation of around 24 million tonnes and a direct employment generation of 14,760.
- c. A capex of Rs.11,11,111 crore, announced in Union Budget FY 2024-25, has given thrust to infrastructure expansion which, in turn, has increased steel consumption.

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- ii. Improve raw material availability and reduce raw material cost:-
 - a. Reduction in the Basic Customs Duty on Ferro Nickel, a raw material from 2.5 percent to zero, making it duty free.
 - b. Extension of duty exemption on ferrous scrap upto 31st March 2026, in the Budget 2024.
 - c. Notification of Steel Scrap Recycling Policy to enhance the availability of domestically generated ferrous scrap.

- iii. Import monitoring and quality control:-
 - a. Revamping of Steel Import Monitoring System (SIMS) for effective monitoring of imports to provide granular details on imports to the domestic steel industry.
 - b. Introduction of steel Quality Control Orders 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 is ensured that only quality steels conforming to the relevant BIS standards are made available to the end users. As on date, 151 Indian Standards are notified under the Quality Control Order covering carbon steel, alloy steel and stainless steel.

- iv. Other measures:-
 - a. Coordination with Ministries and States for expeditious statutory clearances and other countries for facilitating the availability of raw material for steel making on more favourable terms.

 - b) Development of infrastructure such as transportation and power supply are a continuous and dynamic process taken up based on socio-economic considerations, liabilities of ongoing projects, overall availability of funds and competing demands. In the state of Jharkhand, the present length of National Highway (NH) is 3,633 km, length of railway lines is 3,070 km and the installed capacity of power utilities is 3002.50 MW which supports the growth of all industries, including steel. Infrastructure projects valued at over Rs.70,000 crore are in various stages of commissioning in the state of Jharkhand.

 - c) The Ministry of Steel has notified the Production Linked Incentive (PLI) scheme for specialty steel to promote the manufacturing of 'Specialty Steel' which will create additional employment in steel sector within the country including the state of Jharkhand.
