

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3463**  
FOR ANSWER ON 17.12.2024

**PRODUCTION LINKED INCENTIVE SCHEME**

3463. SHRI KHAGEN MURMU:  
SHRI ANANTA NAYAK:

Will the Minister of STEEL be pleased to state:

- (a) whether the Government is aware that there is growing need of steel in the country for construction, automotive and defence industry and if so, the details thereof;
- (b) whether the Government has launched a new Production Linked Incentive Scheme (PLI) in order to encourage and boost the production of steel in the country and if so, the details thereof;
- (c) whether the Government has any proposal to set up a new steel production unit in the State of Odisha during the current financial year and if so, the details thereof;
- (d) the performance of the steel sector in FY25 and whether there has been any growth in comparison to previous years; and
- (e) the impact of steel sector in other sectors such as construction, automotive and defence, the data on production, consumption and rise in domestic demand for steel?

**ANSWER**

THE MINISTER OF STATE IN THE (SHRI BHUPATHIRAJU SRINIVASA VARMA)  
MINISTRY OF STEEL

(a)&(e): Construction and infrastructure, automotive and defence sectors contribute to about 90% India's steel consumption. Details of impact of steel in these sectors are as follows:-

**Construction Sector:** Steel is integral to the construction of large-scale infrastructure expansion of the government such as highways, bridges, railways, metro systems, and affordable housing programs.

**Automotive Sector:** Steel is used in manufacturing a wide range of components, including chassis, body panels, and engine parts. Initiatives such as Make in India have increased the demand for domestically produced steel.

**Defence Sector:** The need for specialized, high-strength steel alloys has risen alongside increasing defense investments to strengthen the country's military capabilities. Steel is also crucial in India's expanding defense infrastructure, such as military bases and storage facilities.

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(b) Production Linked Incentive (PLI) Scheme was notified by the government in July, 2021 to promote the manufacturing of specialty steel within the country and reduce imports by attracting 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)&(d): Steel is a deregulated sector and the Government acts as a facilitator by creating a conducive policy environment for the development of steel sector across all states in the country, including Odisha. Decisions regarding setting up of a steel plant is taken by industry based on techno-commercial consideration including raw material availability, distance from port, logistics etc. The following table indicates the growth of steel production and consumption during the last five years is given as follows:

Year	Crude Steel (in MnT)	Finished Steel (in MnT)	
	Production	Production	Consumption
<b>2019-20</b>	109.14	102.62	100.17
<b>2020-21</b>	103.54	96.20	94.89
<b>2021-22</b>	120.29	113.60	105.75
<b>2022-23</b>	127.20	123.20	119.89
<b>2023-24</b>	144.30	139.15	136.29
<b>Source: Joint Plant Committee, MnT-million tonnes</b>			

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