

GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO. 460
FOR ANSWER ON 04.02.2025

DOMESTIC STEEL INDUSTRY

460. SHRI BIDYUT BARAN MAHATO:

Will the Minister of STEEL be pleased to state:

- (a) the steps being taken by the Government to strengthen India's steel industry in global competitiveness;
- (b) whether the Government proposes to promote the domestic steel industry, especially the small and medium producers; and
- (c) whether the Government is formulating any policy to control the fluctuations in the prices of raw material like iron and coal supplied to the steel industry, so as to keep India's cost of steel production stable and consequently provide cheaper and quality steel in the domestic market?

ANSWER

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

(a)to(c): Steel is a de-regulated sector where prices of raw materials such as iron ore, coking coal etc., and finished steel are determined by market dynamics. The Government acts as a facilitator, by creating a conducive policy environment for the development of steel sector including small and medium producers in the country. Government has taken the following measures to create a conducive policy environment for improving global competitiveness of India's steel industry:

- 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.
- 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.
- 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.