

LOK SABHA
UNSTARRED QUESTION NO.2685
FOR ANSWER ON 14/03/2016

CHEAP STEEL IMPORTS

2685. SHRI KESINENI NANI:
SHRI R.K. SINGH:
SHRI RABINDRA KUMAR JENA:
SHRI PREM DAS RAI:
SHRI PRABHAKAR REDDY KOTHA:
SHRIMATI MEENAKASHI LEKHI:
SHRI D.K. SURESH:
SHRI BHOLA SINGH:
SHRI GUTHA SUKENDER REDDY:
SHRI CHANDU LAL SAHU:
SHRI ABHISHEK SINGH:

Will the Minister of STEEL be pleased to state:

- (a) the details of steel imported and cost thereof during each of the last three years, country-wise;
- (b) whether the Government has received any representation from the Indian steel producers to protect them from the cheap steel imports particularly from China;
- (c) if so, the details thereof including manufacturing cost of steel in India and the reaction of the Government thereto; and
- (d) the corrective steps taken by the Government to protect the domestic steel industry against the cheap steel imports?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI VISHNU DEO SAI)

- (a) Details are given at **Annexure I**.
- (b)&(c): Some domestic steel manufacturers and other stake holders have represented against surge in imports of steel from various countries including China. These representations have regularly been examined by the Government for taking corrective measures. The cost of production of different types of steel produced by individual companies is commercially sensitive information which is guarded by the concerned companies and is not publicly available. However, the domestic prices of steel have declined significantly between April, 2014 to Jan., 2015 as can be seen from **Annexure II** & there has also been severe decline in profits of even large steel producers, as can be seen from **Annexure III**.
- (d) In order to protect domestic steel sector against cheap steel imports, the Government has taken the following steps:-
 - (i) To ensure that only quality steel is produced or imported, Government has notified Steel & Steel Products (Quality Control) Orders, 2012 dated 12.03.2012 and Steel & Steel Products (Quality Control) Orders, 2015 dated 15.12.2015.

- (ii) To increase availability of Coal and Iron ore for the domestic steel industry:-
 - (a) Notified the Coal Mines (Special Provisions) Amendment Act, 2015 on 30.03.2015 to streamline coal block allocations.
 - (b) Notified the Mines and Minerals (Development and Regulation) Amendment Act, 2015 on 27.03.2015 to streamline grant of Mining Leases.
- (iii) The Union Budget 2015-16 has raised peak rate of basic customs duty on both flat and non-flat steel to 15% from 10%.
- (iv) Hiked import duty on ingots & billets, alloy steel (flat & long), stainless steel (long) and non-alloy long products from 5% to 7.5% and non-alloy and other alloy flat products from 7.5% to 10%. This was further revised in August, 2015 on flat steel from 10% to 12.5%, long steel from 7.5% to 10% and semi-finished steel from 7.5% to 10%.
- (v) In November 2014, instructions were issued to ensure import of rebars strictly as per Steel Product Quality Control Order 2012, to block influx of cheap imports of boron added rebars.
- (vi) In June, 2015, an Anti-Dumping Duty levied for five years on imports of certain variety of hot-rolled flat products of stainless steel from China (\$ 309 per tonne), Korea (\$ 180 per tonne) and Malaysia (\$ 316 per tonne).
- (vii) Imposed, in September 2015, a provisional Safeguard Duty of 20% on hot-rolled flat products of non-alloy and other alloy steel, in coils of a width of 600 mm or more, for a period of 200 days.
- (viii) Imposed, vide its notification dated 05.02.2016, the Minimum Import Price (MIP) condition on 173 steel products. Imports of items covered under this notification will not be allowed into the country below the notified price.

Annexure-I to LS USQ NO.2685 for reply on 14.03.2016

IMPORT OF TOTAL FINISHED STEEL

COUNTRY	Quantity ('000 tonnes)				Value (Rs. in crore)			
	2012-13	2013-14	2014-15	2015-16*	2012-13	2013-14	2014-15	2015-16*
ARGENTINA	2.1	0.5	0.82	0.39	7.27	2.59	3.2	1.49
AUSTRALIA	8.4	5.1	8.28	3.41	49.03	29.76	48.28	42.37
BAHRAIN	7.0	0.8	0.22	0.02	26.92	6.92	2.2	0.31
BANGLADESH	0.0	0.0	0	0.54	0	0	0	1.76
BELGIUM	168.2	94.8	126.13	85.59	966.07	689.08	697.93	489.14
BRAZIL	144.3	70.0	128.87	177.52	548.97	312.18	538.34	517.95
CANADA	34.7	18.1	7.31	6	121.76	67.72	35.09	24.79
CHILE	0.1	0.1	0.02	0	0.3	0.51	0.13	0
CHINA	1688.2	1088.4	3600.42	3520.6	7617.27	5562.97	15234.42	12194.9
DENMARK	3.5	1.0	4.78	3.29	16.58	6.81	38.46	55.74
DJIBOUTI	0.1	0.0	0	0.62	0.25	0	0	1.58
FINLAND	12.4	13.8	11.8	10.47	202.39	231.84	176.95	147.43
FRANCE	126.7	36.5	155.84	54.27	1006.53	691.98	1168.2	466.89
GERMANY	569.5	186.0	149.03	166.66	3317.36	1583.7	1248.07	1154.89
HONGKONG	3.2	0.4	1.5	0.48	12.71	3.59	8.31	4.15
INDONESIA	5.5	2.3	14.41	184.39	44.45	20.6	63.56	486.89
IRAN	129.2	100.7	0	0	417.73	347.32	0.04	0
ITALY	83.1	25.2	54.95	25.07	450.81	380.8	466.87	245.99
JAPAN	1545.0	1355.7	1583.31	1928.49	7437.14	6755.98	7997.84	7637.9
KAZAKHSTAN	14.1	8.1	8.93	4.91	50.63	31.84	38.47	21.42
KOREA	1576.7	1312.6	1874.93	2694.5	7883.35	6924.49	8948.83	8946.82
KUWAIT	0.3	0.1	1.79	0	1.36	0.54	5.17	0
MALAYASIA	45.3	29.9	95.99	49.26	333.61	232.51	506.37	459.1
NETHERLANDS	25.7	21.6	40.21	15.54	109.59	88.62	160.19	65.14
ROMANIA	10.4	26.2	11.14	1.8	50.9	137.17	47.9	16.74
RUSSIA	326.6	145.9	226.02	310.72	1435.36	910.62	1268.03	1441.99
SAUDI ARABIA	41.0	47.8	4.19	0.64	145.29	196.5	15.16	3.21
SOUTH AFRICA	57.9	44.1	71.47	48.55	306.04	283.11	371.22	260.23
SPAIN	73.5	21.1	29.67	24.87	466.8	188.38	269.81	249.33
SRI LANKA	0.3	0.2	0.12	0.27	1.6	1.45	0.95	2.39
TAIWAN	200.1	118.8	190.33	176.06	953.19	666.11	1006.56	795.28
THAILAND	18.3	21.9	15.93	40.96	130.29	141.27	116.64	163.09
TURKEY	36.3	14.1	29.09	1.01	152.06	76.24	135.05	6.91
U.K.	63.3	28.0	30.26	28.56	363.01	233.49	276.67	264.26
UAE	41.1	19.6	34.14	31.38	175.8	92.74	152.92	135.08
UKRAINE	419.7	323.0	348.77	198.05	1524.09	1086.59	1212.71	536.69
USA	116.8	79.3	120.12	74.73	754.94	631.59	565.14	732.01
Others	326.4	188.7	339.24	346.22	2208.55	1797.89	2067.32	1940.69
Total	7925	5450	9320	10216	39290	30416	44893	39514.55

Source: JPC

* April '2015 to Feb. '2016

Annexure-II to Lok Sabha Unstarred Question No.2685 due for reply on 14.03.2016

Indicative average market prices of leading items of finished steel, 2012-13: Delhi market (Rs/t)												
Item	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Pig Iron	36400	35700	36200	36500	36000	36200	36000	35600	34500	33500	31500	30300
Pencil Ingots	36500	35200	34200	34500	32500	32000	31800	31800	30000	33100	32200	34500
Wire Rod 8mm	48700	47650	48530	48000	47720	47720	47650	47650	47130	46640	46290	45940
Rounds 12mm	48980	47020	47160	47160	46810	46810	46740	46740	46390	45510	45510	45330
TMT 10 mm	51580	49620	50280	50000	49650	49580	49580	49580	48710	47610	47610	47080
Plates 10mm	49770	49720	49620	49670	49590	49570	49520	49520	49420	49470	49470	49370
HR Coils 2.00 mm	49070	49070	49050	49050	48800	48840	48770	48750	48650	48700	48700	48720
CR Coils 0.63mm	54100	53580	53580	53180	52500	52780	52580	52580	52580	52980	52380	52980
GP Sheets 0.63mm	56200	54580	54580	53980	53380	53080	53080	52480	51880	53080	54280	54280
Melting Scrap HMS-II	32500	29000	29000	29000	27700	27700	27700	27500	27000	27000	27000	27200
Sponge Iron (Coal)	30000	28000	28000	27000	26000	26000	26000	26000	24500	26000	25600	26000
Item	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Indicative average market prices of leading items of finished steel, 2013-14: Delhi market (Rs/t)												
Pig Iron	30000	30800	30700	30500	30300	33000	33000	32800	32500	32800	32500	33000
Pencil Ingots	34500	31600	32100	31000	30000	31500	32500	32000	31500	32500	35400	34700
Wire Rod 8mm	45940	45940	46110	45590	44890	45410	45410	45170	45170	45520	46110	45940
Rounds 12mm	45330	45680	45860	44980	44630	45330	45330	45440	45440	46210	46560	46560
TMT 10 mm	47010	47360	47540	47080	46380	47430	47430	47960	47960	48310	48660	48310
Plates 10mm	49420	49420	49420	49420	49320	49470	49570	49470	49320	49740	49820	49920
HR Coils 2.00 mm	48770	48770	48710	48770	48670	48900	49120	49020	49020	49170	49290	49320
CR Coils 0.63mm	52980	52780	52580	52780	51900	52500	53180	52580	52700	53780	54180	54980
GP Sheets 0.63mm	54280	54280	53680	53680	53680	54280	55240	55240	54580	55180	55780	58180
Melting Scrap HMS-II	26600	26600	26500	24000	23000	28000	28000	27000	26500	27000	28200	27700
Sponge Iron (Coal)	25800	25800	26000	25000	24000	25800	26000	26000	25500	26200	27000	26300
Item	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Indicative average market prices of leading items of finished steel, 2014-15: Delhi market (Rs/t)												
Pig Iron	33000	32500	34000	34000	33500	32100	33750	34000	30833	30000	27833	26167
Pencil Ingots	34700	33800	37000	35000	34500	32000	34300	38475	30500	32000	31000	30000
Wire Rod 8mm	42000	40500	42000	44000	43500	43350	45000	42900	43125	41925	40550	39900
Rounds 12mm	43500	42500	44200	44000	43500	43650	44000	40000	39000	40000	39750	40250
TMT 10 mm	44500	43500	47600	46000	45500	45200	47075	44367	42542	42375	41775	41017
Plates 10mm	46000	45000	44000	43000	42500	42500	44500	42738	41500	40750	39500	38950
HR Coils 2.00 mm	46000	45500	45500	44500	43800	43500	44500	43500	42433	41167	40333	39667
CR Coils 0.63mm	52500	50000	52000	51000	50000	50782	51000	49200	49000	42500	47100	45000
GP Sheets 0.63mm	57500	54550	56000	55500	55500	54550	54275	53000	53167	52925	51350	50275
Melting Scrap HMS-II	27700	27200	28000	27000	27500	25500	25600	26500	23000	25000	24000	21000
Sponge Iron (Coal)	26300	25700	26300	25500	25500	25000	25200	23000	23500	24500	23750	22000
Item	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	
Market (retail) prices of leading items of finished steel, 2015-16: Delhi market (Rs./t)												
Pig Iron	27433	26667	24667	25533	25300	26000	24900	24033	23167	22833	25500	
Pencil Ingots	31200	29000	28000	24500	23600	26000	24000	22000	19500	25500	26500	
Wire Rod 8mm	40650	39500	38750	36000	36600	37000	35750	32500	29250	30750	34000	
Rounds 12mm	40250	37750	38200	36600	34150	37250	35575	31875	30250	29500	33250	
TMT 10 mm	42538	40075	40534	38188	36275	38750	35625	33713	30417	33284	36538	
Plates 10mm	40100	38267	36375	34850	33550	34725	35000	33000	30750	33100	33300	
HR Coils 2.00 mm	39100	40667	37438	36125	34250	34563	35675	34625	32200	33325	34033	
CR Coils 0.63mm	44533	44500	42000	40717	39750	40300	40825	37500	36267	35833	38000	
GP Sheets 0.63mm	49767	48350	49150	46783	43500	44233	44867	42500	41500	41133	40500	
Melting Scrap HMS-II	23000	21450	23100	20550	18000	22500	21100	14250	15300	16000	18350	
Sponge Iron (Coal)	23250	22150	22250	18900	17000	19000	17500	16500	16450	15500	16500	

Source: JPC

Annexure-III

During April-June quarter of this fiscal year profit After Tax (PAT) of majority of steel markets such as SAIL, JSW Steel and JSPL except Tata Steel has decreased. As per information, PAT of major steel making companies during the quarter is:-

SI.No.	Companies	PAT (in Rs. Crores)		
		Q1 FY-2016	Q4 FY-2015	Q-oQ(%)
1.	JSW Steel	31	189	-84%
2.	SAIL	-322	334	-196
3.	Tata Steel	1249	814	53%
4.	JSPL	-267	-235	-14%