

**GOVERNMENT OF INDIA**  
**MINISTRY OF STEEL**  
**RAJYA SABHA**  
**QUESTION NO 27.11.2009**  
**ANSWERED ON**  
**PRODUCTION OF STEEL**

1054

Dr. T. Subbarami Reddy

Will the Minister of COAL AND STEEL be pleased to state :-

(a) whether going by production of steel in country so far this year, India is on its way to become the third largest steel producer in world;

(b) whether India has a target of becoming world's largest steel producer by 2013 and also aims to produce 124 MT of steel by 2011-12;

(c) to what extent the output of steel has helped India in its development; and

(d) the steps being considered to improve the production further?

**ANSWER**

THE MINISTER OF STATE(SHRI A. SAI PRATHAP) IN THE MINISTRY OF STEEL

(a) India became the 5th largest crude steel producer in the world in the year 2006 and held this position in the years 2007 and 2008 also. As per the latest global rankings released by the World Steel Association, India has emerged as the 3rd largest crude steel producer for the period from January to September, 2009.

(b) A number of major steel companies have announced investments in steel sector, both under capacity expansion (Brownfield) plans and setting up of Greenfield projects. Taking these projects into account, it is estimated that the overall domestic crude steel production capacity is likely to reach 124 million tonnes by the year 2011-12 and 295.93 million tonnes by the year 2019-20, as per the details given in Annexure.

(c) Increase in production of steel has contributed to the growth of various industries like construction, automobiles, consumer durables and other infrastructure sectors like oil and gas, capital goods, transport equipments etc. which, in turn, contributed to the overall industrial growth of the country and thereby contributed in the growth of India's gross domestic product. It has also encouraged employment growth, growth in exports and foreign exchange, better excise collection, progress in research and development and has led to improvement in India's ranking and status in world steel market as a major steel producing country.

(d) Steel being a deregulated sector decisions related to production are taken essentially by the steel producing units. The Government acts as a facilitator only and provides the overall policy environment to promote industry growth. In order to promote the domestic steel industry and to meet the projected demand, the Government has framed the National Steel Policy, 2005 and constituted an Inter-Ministerial Group (IMG), under the chairmanship of Secretary(Steel), to monitor and coordinate the issues concerning major steel investments in the country related to infrastructure, raw material supply, environmental clearance and other resource constraints.