

Cabinet approves national steel policy

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The Cabinet today approved a new policy that envisages Rs 10 lakh crore investment to create more capacity in the steel sector.

"The Cabinet today approved the National Steel Policy 2017," a source privy to the development said.

The development assumes significance as the steel sector is reeling under weak demand and rising raw material prices.

The policy aims at increasing supply of domestic coking coal to cut dependence on imports by half and production of 300 million tons of the alloy by 2030-31.

The ministry had earlier said the policy is a step towards steering the industry to achieve its future potential and strategy to

deal with various impediments like high input cost, availability of raw materials, dependency on imports, financial stress etc, it added.

The policy also looks at increasing per capita steel consumption to 160 kg by 2030-31 and encouraging the industry to be a world leader on energy and raw material-efficient steel production by 2030-31 in a safe and sustainable manner.

The proposed policy looks to "develop and implement quality standards for domestic steel products".

In 2015, India was the only large economy in the world where steel demand continued to show a positive growth at 5.3 per cent as against China's (-)5.4 per cent and Japan's (-) 7 per cent.

India's growing urban

infrastructure and manufacturing sectors indicates that demand is likely to remain robust in years ahead.

Despite the current challenges, Indian steel industry still has significant potential for growth, underscored by the fact that the per capita steel consumption in the country at 61 kg is much lower than the global average of 208 kg.

Crude steel production in 2015-16 stood at 89.77 million tons.

However, today, the steel industry in India faces challenging external conditions in the shape of slow economic growth and idle capacity on the global front.

With weak global economic prospects, the industry will have to strongly depend on growth of domestic consumption to surge ahead.