

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:510

ANSWERED ON:14.07.2014

STEEL CONSUMPTION

Yeddyurappa Shri B. S.

Will the Minister of STEEL be pleased to state:

- (a) whether the per capita consumption of steel in the country is quite below the global average;
- (b) if so, whether despite lower per capita consumption, the prices of steel and steel products are very high in the country;
- (c) if so, the reasons therefor; and
- (d) the steps taken by the Government to encourage the use of steel products particularly in rural India?

Answer

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

(a) Yes, Madam.

(b)&(c): There is no one to one correlation between per capita consumption of steel and steel prices. The steel prices depend on a variety of factors at a given point of time including the demand and supply balance in the market, international price, domestic costs of raw materials, cost of production and delivery, cost of financing, prevailing taxes etc. Low prices of steel may prompt higher steel consumption. However, price elasticity of steel demand in most cases has been found to be low. Further, estimation of price elasticity is a complex exercise and therefore, no strong conclusion may be drawn on the relationship between price and demand.

(d) The Government has taken the following steps to encourage the use of steel products in rural India:

i) Has organized steel campaign in rural areas to apprise the benefits of steel usage and promote best practices in mason work using reinforcement bars through the Institute of Steel Development and Growth (INSDAG).

ii) Has requested all the major steel plants to take up the designs developed by INSDAG for low cost houses with innovative and cost effective technology. INSDAG has also designed bridges and culverts, local huts, panchayat hall, school building, anganwadi centre, cycle shed, community toilets etc. for model rural village.

iii) Has conducted training programmes through INSDAG on Entrepreneurship and Steel Development in rural India. INSDAG has also developed prototype community grain storage bin.

iv) In order to address the issue of non-availability of steel in the rural areas, has exhorted the major steel producers like Steel Authority of India Limited (SAIL), Rashtriya Ispat Nigam Limited (RINL), etc. to set up rural stock-points at various places to make steel (reinforcement bars, structural steel, galvanized sheet for roofing and construction purpose) available in the rural India. This has largely facilitated the use, application and availability of steel in rural areas.