

**Title:** Need to allocate sufficient funds in the current financial year itself for setting up an integrated Steel Plant at Salem in Tamil Nadu -laid.

SHRIA. GANESHAMURTHI (PALANI): I bring to the notice of the Central Government to the need to set up an integrated steel plant at Salem in Tamil Nadu. The present Salem Steel Plant is only a rerolling mill. The long standing demand for setting up an integrated steel plant to use the iron ore available in huge quantity in Salem district, particularly in Ganjamalai hills, has not been taken seriously by the Government.

In the 18th century itself, Britishers had certified that the steel obtained from Salem ore is in no way inferior to the Swedish steel. It is estimated that more than 8 crore tonnes of iron ore is available in the area. The iron ore is of a very rich quantity and contains 60 per cent iron. Some two years before, the then Steel Secretary had said that an integrated steel plant could be set up at Salem at an estimated cost of Rs.2000 crore. But nothing concrete came out later.

The Government would invest about Rs.50,000 crore in steel industries during the Ninth Five Year Plan. India is emerging as one of the major producers of steel in the world. During the last year of Ninth Plan, that is, in 2001-02, the target is said to be 4.32 crore tonnes of steel. This is two crore tonnes more than the current year expectation.

When the Government has fixed such ambitious target of steel production, and is ready to spend Rs.50,000 crore in the Ninth Plan. I do not know why the Government is reluctant to set up an integrated steel plant at Salem.

Therefore, I urge upon the Central Government to take serious note of this matter and allocate sufficient funds in the current year itself to set up an integrated steel plant at Salem without delay.