

Indian Steel Production to Top 175 Million Tonne by 2020

Govt. of India raises its initial projection considerably



With abundant iron ore resources and well-established base for steel production in the country, steel is poised for growth in the coming decades. Indian government announced that India would produce 175 million tonnes of steel by 2020 against 110 million tonnes envisaged in the National Steel Policy. The steel ministry has also revised the target for steel production from 65 million tonnes to 80 million tonnes by 2011-12.

"Our National Steel Policy envisages a production level of 110 MT by 2020, but we are likely to achieve a production of 175 MT by the same period," steel minister, Mr Ram Vilas Paswan said and asked the steel industry to gear up their production needs. "As the average consumption of steel in India is only 38 kg compared with world average of 170 kg, there is a huge scope for increasing steel production in India. We are confident of 80 mt production by 2011-12," Paswan added. He also pointed out that private as well as public sector steel companies had signed as many as 156 memorandum of understandings with various state governments As a part of this initiative, the Institute of Steel Development and Growth formed by Steel ministry, SAIL, Tata Steel, Ispat Industries, Essar steel, JSW and JSPL will spend Rs 20 crore to promote usage of steel. On the issue of iron-ore export, Paswan said, "We are not against mining companies neither are we against iron-ore export, but one will have to keep the interest of domestic steel industry in mind". Paswan also added that the New Mineral Policy 2007 was under consideration.

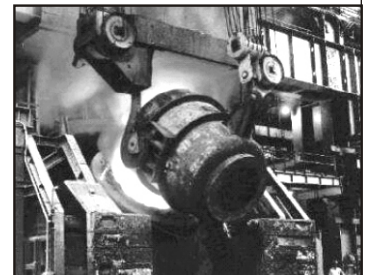


While steel will continue to have a stronghold in traditional sectors such as construction, housing, ground transportation, special steels will be increasingly used in hi-tech engineering industries such as power generation, petrochemicals, fertilisers etc. Steel will continue to be the most popular, versatile and dominant material for wide ranging applications. To gauge the performance of any industry in any country one has to keep an eye on the performance and outlook of the

Industry at the global scale.

The Government envisions India becoming a developed nation by 2020 with a per capita GDP of \$1540. For a nation that is

economically strong, free of the problems of underdevelopment and plays a meaningful role in the world as befits a nation of over one billion people, the groundwork would have to begin right now. The Indian Steel Industry will be required and is willing to play a critical role in achieving this target.



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