National Steel Policy, 2017

Why in news?

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The Ministry of Steel released the draft National Steel Policy 2017.

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What is the need for the policy?

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- The steel sector presently employs about 25 lakh people and has a capacity of little over 120 million tonnes.
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- Steel production in the country has witnessed an annual average growth of 8.3% between 2000-01 and 2015-16.
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- However, the industry has been facing challenges due to slow economic growth and idle steel capacity globally.
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- India has been a net importer of finished steel every year since 2007-08 except 2013-14.
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- Growth of the Indian steel industry has been affected due to delays in land acquisition.
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- The draft Policy seeks to create a self-sufficient steel industry that is technologically advanced and globally competitive.
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What are the objectives?

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- Increasing crude steel capacity to 300 metric tonne (MT) by 2030-31.
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- Increasing per capita steel consumption to 160 kg by 2030-31 (currently 61 kg)
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- Increasing domestic availability of washed coking coal and reducing import of coking coal to 50% by 2030-31
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- Becoming a net exporter of steel by 2025-26.
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What are the guidelines?

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- **Steel demand and capacity -** The policy envisages to more than double the India's domestic steel production capacity to 300 million tonnes by 2030-31.
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- Creation of such additional capacity will require extensive mobilization of natural resources, finances, manpower, and infrastructure and a capital investment of about Rs 10 lakh crore
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- **Land requirement -** In order to increase steel production capacity, around 91,000 acres of land will be required.
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- The Steel Ministry will coordinate with respective state governments to ensure timely availability of litigation-free land to the industries.
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- **Micro, Small and Medium Enterprises (MSMEs) –** The draft policy seeks to improve availability of raw materials by providing long term linkages with the coal industry, and adopt energy efficient technologies.
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- The Steel Ministry has proposed setting up greenfield steel plants along India's coastline to tap cheap imported raw materials such as coking coal and export the output in a more cost-effective manner.
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- **Coking Coal -** To cut down reliance on expensive imports of coking coal,

gas-based steel plants and technologies such as electric furnaces to bring down the use of coking coal in blast furnaces are proposed.
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- It anticipates a requirement of Rs.10 lakh crore of fresh investments to meet that goal and expects at least 11 lakh new jobs being created in the process.
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- It lays out two alternatives of its vision i.e to create a globally competitive steel industry that promotes inter-sectoral growth or to create a self-sufficient steel industry that is technologically advanced, globally competitive and promotes inclusive growth.
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Source: The Hindu, PRS

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