

Indian Steel Industry

written by iasexam.com | 11/04/2024



Context

The **Indian steel industry** has expressed concern over India becoming a net importer of steel in 2023-24.

About

- Steel has historically occupied a top position amongst steels.
- Steel manufacturing and consumption are often seen as measures of a country's economic development because it is both a raw material and an intermediary product.
- The Indian steel industry is classified into three categories – major producers, main producers and secondary producers.
- India has set a target of having an installed steel manufacturing capacity of 300 MT by 2030.

Importance

- The steel industry performs a pivotal function in crucial sectors along with production, infrastructure, car, engineering and defence.
- Over the years, the steel sector has witnessed tremendous growth and India has emerged as a worldwide force in steel production and the 2d biggest producer of steel in the world.

- The increase in the Indian steel sector has been pushed by the domestic availability of raw materials which include iron ore and cost-effective labour.
 - The Indian steel industry is current, with state-of-the-art steel mills.
- It has constantly strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels.
- Consequently, the steel sector has been a prime contributor to India's production output.

Related Steps

- The Union Cabinet gave its approval for **National Steel Policy (NSP)** 2017 which enshrines the long term imaginative and prescient of the Government to present impetus to the steel sector.
- It seeks to enhance home steel consumption and ensure more fine steel manufacturing and create a technologically superior and globally competitive steel industry.
- In October 2021, the government announced tips for the permitted specialty steel [production-linked incentive \(PLI\)](#) scheme.
- **FDI:** The Government has allowed 100% FDI through automatic route for the steel industry in India.

Concerns

- Low funding in generation and Infrastructure.
- Raw material availability is a key challenge for the steel industry.
- India has registered a 38% surge in imports of finished steel to 8.319 million tonnes (MnT) over 6.022 MnT imported at some stage in the preceding 2022-23 fiscal.
- The surge in predatory imports from China is a huge threat to the Atma Nirbharta in steel.
- Health and safety are the most neglected concerns in the Indian steel sector.
- Steel production is an energy intensive method that has a widespread environmental impact.

Conclusion and Way Forward

- The steel industry has emerged as a major focus area given the dependence of a numerous variety of sectors on its output as India works to become a manufacturing powerhouse through coverage initiatives like [Make in India](#).
- There is a need to ensure a sustainable supply of crucial raw substances, along with iron ore and coking coal, along with enhancing export competitiveness that will be essential for accomplishing this ambitious goal.
- India's steel industry faces threat from predatory imports.
 - Restricting steel imports is important to guard investments and ensure a robust GDP growth.
 - It becomes imperative for the sector to strategize ways to beautify the fee competitiveness of products.

Source: [The Indian Express](#)

UPSC Mains Practice Question

Q.Account for the change in the spatial pattern of the Iron and Steel industry in the world. (2014)