

Steel Manufacturing Capacity

Boosting the Steel Industry in India: Key Government Initiatives and Focus on Jharkhand

The steel sector in India is a **deregulated industry**, with the government acting as a **facilitator** to create a conducive policy environment. Decisions regarding increased manufacturing capacity are made by the industry based on **techno-commercial considerations**, including raw material availability, logistics, and proximity to ports.

To support the growth of the steel sector, including in **Jharkhand**, the government has implemented the following measures:

1. Promotion of 'Made in India' Steel and Expanded Investments

- **Domestically Manufactured Iron & Steel Products (DMI&SP) Policy:**
 - This policy promotes the use of 'Made in India' steel for government procurement.
- **Production Linked Incentive (PLI) Scheme for Specialty Steel:**
 - Launched to encourage the domestic manufacturing of **specialty steel** and reduce imports by attracting capital investments.
 - Expected outcomes:
 - **Investment:** ₹27,106 crore
 - **Additional Capacity:** ~24 million tonnes
 - **Direct Employment:** 14,760 jobs
- **Infrastructure Push in Union Budget 2024-25:**

- A capital expenditure of **₹11,11,111 crore** announced, driving infrastructure expansion and increasing domestic steel consumption.

2. Improving Raw Material Availability and Reducing Costs

- **Basic Customs Duty Reduction:**
 - Customs duty on **Ferro Nickel**, a key raw material, reduced from 2.5% to zero.
- **Duty Exemption on Ferrous Scrap:**
 - Extended until **31st March 2026** in Budget 2024 to reduce raw material costs.
- **Steel Scrap Recycling Policy:**
 - Designed to enhance the availability of **domestically generated ferrous scrap**, promoting sustainable steel production.

3. Import Monitoring and Quality Control

- **Revamped Steel Import Monitoring System (SIMS):**
 - Provides granular details on steel imports to support domestic producers.
- **Quality Control Orders (QCO):**
 - Prohibits the import and sale of sub-standard steel products in India.
 - Ensures the availability of high-quality steel conforming to **BIS standards** for consumers and industries.
 - As of now, **151 Indian Standards** have been notified, covering **carbon steel, alloy steel, and stainless steel**.

4. Infrastructure Development to Support Steel Sector Growth

- **Coordination for Statutory Clearances:**
 - Facilitating faster clearances for raw material access and steel production under favorable terms.
- **Infrastructure in Jharkhand:**
 - Current industrial infrastructure in Jharkhand includes:
 - **National Highway Length:** 3,633 km
 - **Railway Line Length:** 3,070 km
 - **Installed Power Capacity:** 3,002.50 MW
 - Over ₹70,000 crore worth of infrastructure projects are at various stages of commissioning in Jharkhand, supporting the growth of industries, including steel.

5. Production Linked Incentive (PLI) Scheme for Specialty Steel

- The **Ministry of Steel** has launched the **PLI Scheme for Specialty Steel**, which focuses on:
 - Promoting the manufacturing of **specialty steel** in India.
 - Generating **employment opportunities** in the steel sector.
 - Driving industrial growth in states like **Jharkhand**.

The Government of India is committed to creating a robust ecosystem for the steel sector through **policies like the DMI&SP Policy, PLI Scheme for Specialty Steel, and infrastructure development initiatives**. These efforts ensure the availability of quality steel, promote domestic manufacturing, and strengthen supply chains to boost the sector's growth across the country, including key states like Jharkhand.

Reference: PIB

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