Standing Committee Report Summary

Aatmanirbharta in Steel Sector and Roadmap for 'Made in India' Steel Production

- The Standing Committee on Coal, Mines, and Steel (Chair: Mr Anurag Singh Thakur) presented its report on 'Aatmanirbharta in Steel Sector and Roadmap for 'Made in India' Steel Production' on July 22, 2026. The Committee examined the status of steel sector in the country and assessed progress of schemes for expanding domestic steel production. The steel sector in India contributes 2% to the GDP and is the second largest producer of steel globally since 2018. The steel production capacity of the country has increased from 110 million tonnes per annum (MTPA) in 2015 to 220 MTPA as of March 2026. The National Steel Policy, 2017 targets total crude steel production capacity of 300 MTPA by 2030-31. Key observations and recommendations of the Committee include:
- **PLI Scheme for Specialty Steel:** The Production Linked Incentive (PLI) Scheme incentivises domestic production of specialty steel through financial incentives. Speciality steel is a high-value steel made by coating, plating, or heat-treating finished steel for use in critical industries Applications were invited in three rounds. The Committee noted that against a combined investment commitment of Rs 44,106 crore under the first two rounds, actual investment stood at Rs 22,973 crore (52% of the commitment) as of October 2025. Cumulative production of 2.3 million tonnes reached only 16% of the 14.3 million tonne target. The Ministry attributed this to the scheme's phased, five-year production cycle, running from 2024 to 2028. Disbursement of incentives continues up to 2029. The remaining Rs 21,133 crore of the committed investment will come progressively until 2030. The Committee recommended strengthening support for R&D and technology transfer under the scheme.
- **Reducing coking coal import dependence:** The Committee observed that India's import dependence for coking coal stood at around 85-90% in 2024-25, with 54% of imports coming from Australia alone. The Committee recommended diversifying import sources to reduce supply-concentration risks. The Mission Coking Coal seeks to lower the dependence to 65% by 2030 by raising domestic raw coking coal production to 140 million tonnes (MT), and coal blending to 30%. The Committee noted that blending remains at around 10%. It also noted that Bharat Coking Coal Limited produced around 40.5 MT of raw coking coal in 2025.
- **Iron ore availability:** The Committee noted that only about 23% of India's hematite reserves are high-grade (over 62% iron). The rest are medium or low-grade. It recommended accelerating beneficiation and pelletisation capacity to enable better utilisation of low-grade ore fines. Beneficiation is the process of removing impurities from ore to make it suitable for industrial use.
- **Export competitiveness:** The Committee noted that Indian steel exporters face: (i) high logistics costs, (ii) non-tariff barriers, (iii) safeguard restrictions, and (iv) increasingly stringent carbon-related reporting requirements, including the EU's Carbon Border Adjustment Mechanism (CBAM). The CBAM imposes a carbon price on imports of certain goods, including steel, based on their embedded carbon emissions. It noted that this could significantly affect competitiveness, with MSMEs and secondary producers particularly ill-equipped to measure and document embedded emissions. It recommended that the Ministry explore a diversification strategy to identify priority export markets and product segments.
- **Logistics and infrastructure:** The Committee noted that Indian steel producers incur logistics costs of 16-18% of revenue, against a global benchmark of 10-12%. It recommended: (i) time-bound implementation of dedicated freight corridors, (ii) upgradation of about 1,000 km of first and last-mile road connectivity, and (iii) expansion of slurry pipeline capacity to narrow this gap by 2028-29. The Committee also recommended development of coastal and inland waterways for steel movement.
- **Support to secondary steel producers for decarbonisation:** The Committee recommended a phased, cost-sensitive decarbonisation roadmap for secondary steel producers along with continued support for their technology upgradation. The Committee noted that these producers account for about 47% of national crude steel capacity and comprise a large network of MSMEs.

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