

Promotion of Steel Plants in Odisha

1. Odisha has contributed by producing more than 60% of the total Iron ore produced in the country in 2022-23. Odisha holds the No. 1 position in the production of Steel and Stainless Steel in India and has produced 25.12 million tons of Crude Steel in 2022-23.
2. To promote investment in Iron and Steel sector, the State Govt. had signed MoU with 49 Nos. of Steel Plants for establishing production capacity of 80.76 Million Tons Per Annum (MTPA) in 2016-17. The approved capacity of MoU Plants has been increased from 80.76 MTPA to 134 MTPA, keeping in view of the necessity of Steel plants. Subsequently, 4 Nos. of Project proponents (Total MoU capacity of 29.48 MTPA) have withdrawn from the establishment of Integrated Steel Projects. Presently, after approval of capacity expansion, the total approved capacity of the MoU Steel Plants in the State is 105 MTPA.
3. At present there are 35 Nos. of MoU Steel Plants and one Pellet Plant in partial/full production. The total installed capacity of MoU Steel Plants is 25.50 MTPA, which has increased by 20 % (approx.) over the year 2016-17. Through Non-MoU route 17 Nos. Steel plants with Installed capacity of 7.86 MTPA are in operation. Apart from the above, Sponge Iron Plants, Pellet Plants, Ferro Alloys Plants and Iron Ore Beneficiation Plants have also been established to a large extent utilizing the vast Iron Ore resources in the State.
4. The Steel & Mines Department, Government of Odisha, has implemented the amended policy of Long-Term Linkage (LTL) for supply of Iron Ore, Chromite, Bauxite and Limestone to the State based industries of Odisha through M/s. Odisha Mining Corporation Ltd. In order to make Raw Material available to the end-user industries.
5. The aforesaid schemes have been launched as part of the mineral development policy of the State Government with the aim of pursuing value addition, mass employment generation and welfare-oriented revenue collection.
6. As of now, there are 52 Steel Plants (MoU: 35 & Non-MoU: 17) with total installed capacity of around 33.36 MTPA in operation which is around 20% of the total installed capacity of the Country.

7. According to the Vision of the State Government to add significant value to the primary metal produced in the State, initiatives have been taken in metal sector for development of downstream and ancillary units and accordingly, Industrial promotion resolution has been suitably modified in 2022 to attract more such industries in the State.
8. The National Steel Policy 2017 envisages the increase in per capita steel consumption from the present level of 86.7 Kg to 158 Kg by 2030. The State is aiming to contribute 100 Million Tons per year to National target of 300 Million Tons of Steel production per year to be achieved by 2030. Approvals have been given by the State Government for setting up the following Mega Greenfield Projects in the State:
- i) 24 MTPA capacity Integrated Steel Plant by Arcelor Mittal Nippon Steel India Ltd. at Kendrapada.
 - ii) 24 MTPA capacity Integrated Steel Plant by JSW Utkal Steel, at Jagatsinghpur.
 - iii) 19.2 MTPA capacity Integrated Steel Plant by Jindal Odisha Ltd. At Angul.

Also approvals for brownfield expansion of few Mega Steel Plants have been given. Capacity expansion of Bhusan Steel and Power Ltd., Sambalpur, from 2.8 MTPA to 15 MTPA, Tata Steel, Kalinganagar, from 3 MTPA to 8 MTPA and Jindal Stainless, Jajpur, from 1.1 MTPA to 3.2 MTPA have been approved.

9. The Production Scenario of Steel, Sponge Iron & Pellets in the State for last 3 Years is given below:

(All in MTPA)

PLANT TYPE		APPROVED CAPACITY	INSTALLED CAPACITY	2020-21	2021-22	2022-23
A	MOU STEEL PLANTS	105	25.50	16.10	18.73	19.74
B	NON MOU STEEL PLANTS	76	7.86	4.40	4.99	5.39
TOTAL STEEL PRODUCTION		181	33.36	20.50	23.72	25.12
D	SPONGE IRON PLANTS	-	17.27*	7.87	9.74	10.96
E	PELLET PLANTS	47.55	40.00	22.87	25.77	28.07

* Estimated Capacity/Installed Capacity

Source: Steel Directorate