

Increasing production answer to inflation - Manmohan Singh

Increasing productivity across the sectors - agriculture, manufacturing and services - is the solution for inflation, Prime Minister Manmohan Singh said Friday after laying the foundation stone for the Rs.17.50 billion expansion project at Salem Steel plant here.

The United Progressive Alliance government, he said, is very much concerned about the rise in prices and has taken different measures to mitigate the hardship to the people but without affecting economic growth.

'We still have to go a long way in creating the infrastructure essential for modernising India. Ready availability of steel products is a key requirement for such infrastructure. Our per capita consumption of steel is still very low in comparison to other industrial and industrializing countries.

'Yet, we are today in a seller's market and will continue to be so. Hence, it is all the more imperative that we work hard to increase supply and meet the rising demand for steel,' Manmohan Singh added.

Noting the prominence of Indian steel industry in the global arena, he said India is the fifth-largest steel producer in the world and could become the second largest producer by 2015.

He called upon the Indian steel companies to operate on the frontiers of technology, managerial excellence and high productivity.

About Salem Steel's expansion project, he said the production will be used 'both for home appliances and for industrial usage'.

Present on the occasion were Congress president and UPA chief Sonia Gandhi, union ministers and officials of the Steel Authority of India Limited.

According to Gandhi, the UPA government will ensure that public sector units attain top position in sectors like steel, gas, telecom and power.

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