

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:2930  
ANSWERED ON:22.12.2003  
PRICES OF STEEL  
VILAS BABURAO MUTTEMWAR

**Will the Minister of STEEL be pleased to state:**

- (a) whether the Government proposes to liberalise the import of steel;
- (b) if so, the details thereof;
- (c) whether in view of the increase in the prices of indigenous steel, the car producers propose to import the steel from other countries at cheaper rates;
- (d) if so, the total requirement of steel of domestic car manufacturing industry and the extent to which the demand is being met indigenously;
- (e) the difference between the prices of indigenous steel as compared with the prices of imported steel; and
- (f) the corrective steps being taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

- (a) & (b): As per the extant policy import of steel is freely permitted.
- (c) There has been no general increase in the domestic prices in the last three months when compared to the peaks attained in August 2003. However, car manufacturers use domestic or imported steel in different proportions based on technical specification of the vehicle and relative prices of domestic vis-a-vis imported steel. In view of stringent quality specifications, the import content of steel in automobiles manufactured for export is high.
- (d) The Ministry of Steel does not maintain data on segment wise requirement of steel by the automobile industry. However the total consumption of steel by all the segments of the automobile sector, including passenger cars, during the financial year 2002-03 has been estimated at 1.64 million tonnes and 85% of this requirement was met indigenously.
- (e) It is difficult to establish a one to one correspondence between the prices of domestic and imported steel due to differences with respect to quality, chemical composition, size and other parameters. However, in respect of deep drawing and extra deep drawing grade flat steel imported by the car segment the landed cost at the users' premises is generally comparable to the prevailing domestic market price.
- (f) The Government has no direct role to play in the investment decision of the industry. However, since the time of liberalization it has taken pro-active steps to support the development of the steel industry and facilitate programmes towards import substitution. Much of these efforts have resulted in visible improvement and today, the industry has the capacity to produce almost all kinds of steel, including some of the very high value added ones