

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:924  
ANSWERED ON:13.07.2004  
MEETING OF NATIONAL STEEL CONSUMER S COUNCIL  
Rao Shri Sambasiva Rayapati

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

- (a) whether the Government has convened a meeting of National Steel Consumer's Council to discuss issues relating to variation in steel prices in the domestic and international market;
- (b) if so, the main points discussed in the meeting;
- (c) whether any agreement has been reached therein;
- (d) if so, the details thereof;
- (e) whether the Government has been able to reduce dependence on the overseas steel companies in the matter of price fixation of steel products; and
- (f) if so, the steps Union Government is considering to take in this regard?

**Answer**

MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

- (a) Yes, Sir. The 18th National Steel Consumer's Council (NSCC) meeting was held on 12th June, 2004 to discuss the grievances of the steel consuming industry.
- (b) Hike in steel prices, problems related to availability of steel, duty on seconds and defectives, duty on melting scrap and distribution policy of the producers were the important issues discussed in the meeting.
- (c) & (d): There was broad agreement on the following issues:-
  - (i) The Government, through its policy initiatives should facilitate enhanced availability of steel in the domestic market.
  - (ii) The import duty on melting scrap should preferably be brought down to 0% in view of the acute shortage of this raw material in the country.
  - (iii) The public sector plants should have a clear and transparent distribution policy, which takes into account the requirements of the public sector and small scale industry before offering steel products to the trade.
- (e) & (f): In a liberalized and deregulated environment, the Government does not intervene directly to influence prices. Prices are determined by free interplay of market forces of demand and supply. Domestic selling price of most metals are pegged to the landed cost of imported materials.