

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:883

ANSWERED ON:28.11.2006

HIKE IN CEMENT PRICES

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) Whether there has been steep increase in the price of cement in recent months ;
- (b) If so, the reasons therefor including the sectors getting affected due to hike in cement price ;
- (c) Whether steep rise in price is a result of cartelization by the cement manufacturers ;
- (d) If so, the details of the steps taken to bring down the prices and to prevent cement manufacturers from cartelization;
- (e) Whether the Government has issued any directive allowing fly ash to be blended in cement; and
- (f) If so, the aims and objectives of such directives ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI ASHWANI KUMAR)

(a), (b) and (d): Cement prices increased between December, 2005 and April 2006 at varying rates across the country; however these have stabilized since May 2006. Cement is a decontrolled commodity and the price is governed by economic factors, viz., demand and supply, cost of raw materials and other inputs, production and distribution costs.

Government had impressed upon the cement manufacturers the need to rationalize cement price. Responding to it, the Cement Manufacturers' Association gave an undertaking to maximize production and dispatch of cement; ensure that the retailers do not indulge in profiteering; bring in fresh investment to create additional capacities; and supply cement on priority and at 5% discount on the ruling prices to the Central Government Departments.

(c): Monopolies and Restrictive Trade Practices Commission has informed that it has referred the complaints relating to cartelization by the Cement Manufacturers to the Director General (Investigation & Registration) for investigation.

(e)&(f) : No Sir, blended cement is manufactured with addition of fly ash or slag. This has been permitted by BIS as per the prescribed BIS Standards, viz., IS-1489,1991.