

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:844

ANSWERED ON:05.03.2007

COST QUALITY OF STEEL

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

- (a) the reasons for the prices of steel being higher in India and the quality of steel being inferior in comparison to other countries;
- (b) whether the Government proposes to set up research projects to enable lower production cost of steel;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS)

(a) The price of steel in domestic market in India is linked to the international price and normally fluctuates in conformity with the price trends in the international market. The demand – supply gap prevailing in the country also affects the short-term price fluctuations in the domestic market. As far as quality of steel is concerned, India produces a wide range of steel products catering to the needs of a variety of consumers. The quality of steel produced by some of the Integrated Steel Producers is comparable to international standards.

(b)to(d): The Government does not propose to set up research projects to enable lower production cost of steel. However the Empowered Committee under the Chairmanship of Secretary (Steel) with members from Department of Scientific and Industrial Research (DSIR), Indian Institute of Technology (IIT), National Metallurgical Laboratory

(NML) and steel producers sponsors research proposals in iron and steel sector. Further, research and development activities are carried out by major steel producers through their in-house laboratories.