

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:1062

ANSWERED ON:07.12.2004

DUAL PRICING OF STEEL

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

- (a) whether a proposal for dual pricing of Steel has been cleared;
- (b) if so, the details thereof;
- (c) the time by which it is likely to be cleared and implemented;
- (d) whether the prices of steel are increasing;
- (e) if so, the reasons therefor;
- (f) whether the Finance Minister met officials of SAIL, and other steel companies to discuss about the stability in steel prices;
- (g) if so, the outcome of the discussions held with these companies; and
- (h) the final decision taken in regulating the steel prices?

**Answer**

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

(a) In a liberalised scenario, the Government does not intervene in commercial matters of firms such as pricing. Prices are determined by the free interplay of market forces.

(b) & (c) Does not arise in view of (a) above.

(d) & (e) The steel prices have generally remained stable since August 2004 when the Government announced a cut in import duty rates. However, the prices of most categories of steel increased marginally in October 2004 mainly due to the global conditions and domestic revival in construction and other steel related activities in the country after the expiry of the monsoon months.

(f) & (g) The Government has been interacting at various levels with main steel producers to ensure both adequate availability and stability in prices of steel in the domestic market. As an outcome of these discussions various measures have been taken by the Government like considerable reduction in import duties on steel as well as steel making inputs, reduction in DEPB rates on steel items and fixation of value caps for all items of iron and steel and ferro alloys, increasing allocation of iron and steel materials for the SSI sector and advising steel PSUs to export only after fulfilling the domestic requirement.

(h) As indicated above, steel prices have generally remained stable since August 2004. The price situation is being carefully monitored.