

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:253

ANSWERED ON:06.07.2004

IMPACT OF PRICES ON PRODUCTION COST OF STEEL

Singh Shri Rajiv Ranjan (Lalan)

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

- (a) whether the recent hike in the prices of coal will have its impact on the production cost of steel;
- (b) if so, to what extent and the reaction of the Government thereto;
- (c) the percentage of steel manufacturing units which are dependent on Coal India Limited for coal supply; and
- (d) the sources of coal supply of the remaining steel manufacturing units?

**Answer**

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

(a) & (b): Yes, Sir. The impact of the price rise would, however, vary from plant to plant depending on the process used for steel production and the relative efficiency of the plant.

(c) Among the integrated steel plants, only the steel plants in the public sector viz. Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL), procure coking coal from Coal India Limited, to meet part of their coking coal requirement.

(d) The remaining steel manufacturing units generally source their coking coal requirement from their captive mines or through imports.