

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

UNSTARRED QUESTION NO:174  
ANSWERED ON:26.02.2008  
RISE IN CEMENT PRICES  
Kharventhan Shri Salarapatty Kuppusamy

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

- (a) whether there is any gap between the demand and supply of cement in the country during each of the last three years, till date;
- (b) if so, the details thereof;
- (c) whether prices of cement in the country are increasing year by year;
- (d) if so, the details of hike in cement prices during the above period, till date, month-wise;
- (e) whether the Government has any proposal to take over the cement plants;
- (f) if so, the details thereof and if not, the reasons therefor; and (g) the steps taken to contain the rise in prices of Cement in the country ?

**Answer**

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

(a) & (b): As per the Cement Manufacturers' Association, the total production of cement was 127.57 million tonne, 141.81 million tonne, 155.66 million tonne and 135.83 million tonne in 2004-05, 2005-06, 2006-07 and 2007-08(April 07-Jan 08) respectively. The figures of extent of mismatch between demand and supply are not available.

(c) & (d): The average price of cement has increased sharply from Rs. 158/- per bag in December, 2005 to Rs. 225/- per bag in March, 2007, but thereafter it has largely stabilized showing an increase of only 2.67% between March, 2007 and January, 2008. The details are at the Annexure.

(e) to (g): No, Sir. The prices of cement increased sharply between December, 2005 and March, 2007 due to mismatch between demand and supply. The Government has taken a number of measures to increase the supply of cement in the market to cater to increased demand. These include facilitating import by reducing the import duty on cement to 'Nil', removal of countervailing duty and special additional custom duty. Further, MMTC Ltd, a Government of India enterprise, TANCEM, a State Government enterprise of Tamil Nadu and M/s. Puducherry Agro Services Industries Corporation (PASIC) have been given a special dispensation to import cement under the provisions of Cement (Quality Control) Order, 2003 to enable availability of significant quantities of imported cement in the market. With these measures, the average price of cement has stabilized to a large extent showing an increase of only 2.67% between March, 2007 and January, 2008.

**ANNEXURE**

STATEMENT REFERRED TO IN REPLY TO PART (c) & (d) OF LOK SABHA UNSTARRED QUESTION NO. 174 TO BE ANSWERED ON 26.02.2008

Year	Month	Average Price in Rs. per bag since Dec., 2005	Increase in Price since Dec., 2005	Percentage increase in Price since Dec., 2005
2005	December	158		
2006	January	163	5	3.2%
	February	175	17	10.8%
	March	189	31	19.6%
	April	199	41	25.9%
	May	200	42	26.6%
	June	201	43	27.2%
	July	201	43	27.2%
	August	201	43	27.2%
	September	202	44	27.8%
	October	205	47	29.7%

November 208	50	31.6%
December 209	51	32.3%
2007 January 209	51	32.3%
February 212	54	34.2%
March 225	67	42.4%
April 226	68	43.0%
May 226	68	43.0%
June 227	69	43.7%
July 229	71	44.9%
August 231	73	46.2%
September 231	73	46.2%
October 231	73	46.2%
November 231	73	46.2%
December 230	72	45.6%
2008 January 231	73	46.2%