

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2477

ANSWERED ON:11.03.2010

INCREASE IN PRICES OF STEEL

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Will the Minister of STEEL be pleased to state:

- (a) whether the prices of steel has continued to rise during the recent past;
- (b) if so, whether the Government has assessed and reviewed the effect of the increasing prices of steel on the economy and particularly the construction industries;
- (c) if so, the details thereof;
- (d) whether the Government proposes to investigate into the matter;
- (e) if so, the details thereof;
- (f) the price trend and percentage of hike in steel, category-wise in the retail market in National Capital Region on quarterly basis during the last three years and the current year;
- (g) whether the Government proposes to re-introduce the Administered Price Mechanism for Steel; and
- (h) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP)

- (a) The retail prices of a representative category of steel items in Delhi during the last one year is given in Table-1 of the Annexure-I.
- (b)&(c): The movement of various category of iron and steel items used in the construction sector in the Whole Sale Price Index (WPI), and the Rate of Inflation based on WPI, maintained by Department of Industrial Policy & Promotion from January 2009 to January 2010 is given in the Annexure-II.
- (d)&(e): Steel sector operates in a deregulated environment and in a liberalized market prices are determined by a multitude of factors such as cost of raw materials, production cost, international steel price movement and the demand supply gap in the domestic market and the role of a Government is limited to that of facilitator. Nonetheless, the Government keeps a close watch on the price movement of commodities such as steel and takes appropriate fiscal measures whenever necessary.
- (f): The price trend and percentage hike ,of a representative category of steel items in the retail market of Delhi on a quarterly basis during the last three years and the current year is given in Table-2 and Table -3 of Annexure-I.
- (g): There is no proposal in the Ministry of Steel to introduce administered price mechanism in steel sector.
- (h): Does not arise in view of (g) above.