

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:79
ANSWERED ON:02.07.2009
RISE IN PRICES OF STEEL
Chauhan Shri Sanjay Singh

Will the Minister of STEEL be pleased to state:

- (a) whether the demand of steel in the country has been affected adversely on account of the rise in prices of steel;
- (b) if so, the details and the reaction of the Government thereto;
- (c) the number of times the prices of steel raised during the last three years;
- (d) whether the Government is considering to reduce the prices in the domestic market; and
- (e) if not, the reasons therefor?

Answer

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

(a)&(b): The price of steel in the country has reduced on year-on-year basis (May 2009 Vs. June 2008) on account of the global slowdown. However consumption of steel in the country fell only marginally during 2008-09 compared to the previous year on account of global economic slowdown and has even shown a marginal growth during the first two months of the current fiscal year i.e. 2009-10. The details are given in the Table 1 and 2 of the annexure.

(c) The trend of market prices of a representative category of steel items in the retail market of Delhi, during the last three years is given, on a quarterly basis, in Table-3 of the annexure.

(d)&(e): Steel is a deregulated sector and steel prices are determined by the market based on factors like demand and supply situation, landed cost of imports, input costs and price and availability of substitutes etc, and the role of the Government is just that of a facilitator. Nonetheless, in order to stabilize price and supply of steel in the domestic market government has been taking various policy initiatives as necessary.