

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

UNSTARRED QUESTION NO:1128

ANSWERED ON:15.11.2010

PRICES OF CEMENT

Bajwa Shri Partap Singh;Bapurao Shri Khatgaonkar Patil Bhaskarrao;Gaikwad Shri Eknath Mahadeo;Ganeshamurthi Shri A.;Rathwa Shri Ramsinhbhai Patalbhai;Tagore Shri Manicka;Yaskhi Shri Madhu Goud

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

- (a) whether the prices of cement gone up despite rise in production;
- (b) if so, the reasons for the same alongwith the expected installed capacity to be commissioned in the current year as compared to the installed capacity during the last three year;
- (c) the steps taken by the Government to control the cement prices and to tackle the cartel of cement manufacturers and deliberately cut production in order to raise prices;
- (d) whether the fly ash is mandatory for making cement to get the cement at cheaper price;and
- (e) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) and (b) A statement showing the average price of cement in the major consumption centres for the financial years 2007-08, 2008-09, 2009-10 and 2010-11 (April – September) is at Annexure-I. The Wholesale Price Index (WPI) for cement (with Base Year 1993-94 = 100) is given below:

Financial Year	2007-08	2008-09	2009-10
----------------	---------	---------	---------

WPI-Cement	217.5	223.3	223.4
------------	-------	-------	-------

The WPI for cement has shown an increase of 2.7% in this period. The price of cement is governed by the market forces of demand and supply.

The expected installed capacity likely to be commissioned in the current year is approximately 24.5 million tonnes. The installed capacity of cement and production of cement for the last three years is as under:

Year	Installed Capacity of Cement (million tonnes)	Production of cement (million tonnes)
------	--	--

2007-08	198.10	168.31
---------	--------	--------

2008-09	219.51	181.61
---------	--------	--------

2009-10	260.12	201.06
---------	--------	--------

(c) The price and distribution control over the cement industry was removed in March 1989 and the cement industry was de-licensed in 1991. The price of cement is governed by the market forces of demand and supply.

The details of cases pending with the Competition Appellate Tribunal, Ministry of Corporate Affairs and the Competition Commission of India are at Annexure-II.

(d) and (e) The use of fly ash is not mandatory for making cement.