

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2696
ANSWERED ON:25.11.2010
WITHDRAWAL OF FREIGHT EQUALIZATION FUND SCHEME
Badal Harsimrat Kaur

Will the Minister of STEEL be pleased to state:

- (a) whether the Government is aware that the withdrawal of iron and steel freight equalization fund scheme has adversely affected the development of industries of the country including Punjab;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to re-introduce the scheme of iron and steel freight Equalization fund?

Answer

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

(a)to(c): The Iron and Steel Freight Equalization Fund Scheme was administered by the Joint Plant Committee (w.e.f. 1st March, 1964) to enable buyers to procure steel from main producers as per their requirement at uniform prices all over the country, irrespective of the distance from the source of supply. However, with liberalization of the economy, prices and distribution of iron and steel was decontrolled and the Scheme was discontinued by the Government w.e.f. 16th January, 1992, in order to provide free and fair opportunities for the benefit of all stakeholders and help overall growth of the economy. The Government does not have any proposal to re-introduce the said scheme.