

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

STARRED QUESTION NO:102  
ANSWERED ON:08.08.2011  
PRICES OF STEEL  
Pakkirappa Shri S.

**Will the Minister of STEEL be pleased to state:**

- (a) whether the price of steel has shown a rising trend during the last three years;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether reports of cartelisation have been reported in the steel sector;
- (d) if so, the details thereof;
- (e) whether the Government has taken steps to maintain a steady balance between the demand and supply of steel in the market at reasonable prices and liquidation of cartel in steel; and
- (f) if so, the details thereof?

**Answer**

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)to(f): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (F) OF THE LOK SABHA STARRED QUESTION NO.102 TO BE ANSWERED ON 08/08/2011 TABLED BY SHRI S. PAKKIRAPPA, MEMBER OF PARLIAMENT, REGARDING PRICES OF STEEL

(a)&(b) : The price of steel in the domestic market was at its peak during April to July 2008. During the last three years, the price of steel items in the domestic market has been fluctuating in accordance with the domestic market conditions, international steel market prices and price movement in raw material in the international market. A table indicating quarterly price movement in respect of the representative category of steel items in domestic market is annexed.

(c)&(d): The cases of cartelisation fall under the investigation purview of Competition Commission of India under the Competition Act 2002. As reported by the Competition Commission of India, a suo motto case initiated by erstwhile Monopolies and Restrictive Trade Practices Commission (MRTPC) in the year 2008 on cartelisation in steel sector was transferred to them. The case has been investigated and the matter has been submitted to the Commission.

(e)&(f): The price of steel in the country is deregulated and is decided by the individual producers based on various market conditions, such as demand supply scenario, movement in international steel market prices, cost of raw materials and other input costs. Considering the increasing steel demand in the domestic market, Government has taken various fiscal steps to maintain a steady supply position in the domestic market and also to boost steel production in the country. These are:-

- (i) Import duty on raw material such as coking coal and Steel Melting Scrap is NIL.
- (ii) Export duty of 20% has been imposed on export of all grades and sizes of iron ore.
- (iii) Import duty on Steel items is 5%.