

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:6074
ANSWERED ON:14.05.2012
FALL IN STEEL PRICES
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Will the Minister of STEEL be pleased to state:

- (a) whether there has been a decline in the prices of steel in the international market;
- (b) if so, the details thereof;
- (c) whether the prices of steel in India have increased despite the fall in prices of steel in the international markets;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the steps taken by the Government to control the rise in the prices of steel?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): During the year 2011- 2012, prices of steel items have shown fluctuations in major markets across the world. Tables indicating the average prices of Hot Rolled Coils (HRC) and Rebar in some key global markets in April, 2011 and March, 2012 are at Annexure-I and Annexure-II respectively.

(c)&(d): The prices of steel items in the domestic market have been fluctuating in accordance with the market conditions such as demand supply scenario, movement in international steel market prices, exchange rate of domestic currency with respect to other major currencies, cost of raw materials and other input costs. A table indicating monthly price movement in respect of representative category of steel items in domestic market during the year 2011-2012 is at Annexure-III.

(e) Steel is a deregulated sector. Accordingly, prices of steel items are decided by the individual producers based on the market conditions such as demand supply scenario, movement in international steel market prices, cost of raw materials and other inputs etc. However, considering the increasing steel demand in the domestic market, Government has taken following fiscal steps to maintain a steady supply position in the domestic market and also to boost steel production in the country:-

(i) Import duty on raw materials such as Coking Coal, steam coal and Steel Melting Scrap is NIL.

(ii) Export duty of 30% ad valorem has been imposed on export of all grades and varieties of iron ore (except pellets) as well as on chrome ore and concentrates to improve their availability to domestic steel sector at affordable price.