

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:207

ANSWERED ON:27.08.2012

PRICES OF STEEL

Dubey Shri Nishikant ;Nagorao Shri Dudhgaonkar Ganeshrao

Will the Minister of STEEL be pleased to state:

- (a) whether there have been fluctuations in the retail prices of steel during the last three years;
- (b) if so, the details thereof and the reasons therefor along with the prices of critical raw materials during the same period;
- (c) whether the prices of steel continue to rise despite the low prices of the critical raw materials and if so, the reasons therefor;
- (d) whether cases of cartelisation of producers have been reported in the steel sector; and
- (e) if so, the details thereof along with the steps taken by the Government to maintain a steady balance between the demand and supply of steel in the market at reasonable prices and liquidation of cartel in the steel sector?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE LOK SABHA STARRED QUESTION NO.207 TO BE ANSWERED ON 27/08/2012 BY SHRI NISHIKANT DUBEY AND ADV. GANESHRAO DUDHGAONKAR, MEMBERS OF PARLIAMENT REGARDING PRICES OF STEEL

(a)&(b) : The price of steel items in the domestic market has been fluctuating, inter-alia, in accordance with the domestic market conditions, international steel market prices, price movement of raw materials and other inputs. A table indicating quarterly price movement in respect of HR Coils and TMT bars in domestic market for the period from June, 2009 to July, 2012 is at Annex- I. A table indicating the quarterly price movement of critical raw materials like iron ore and coking coal for the period from June, 2009 to July, 2012 is at Annex-II.

(c) Despite the increase in the price of critical raw materials like Coking Coal and Iron Ore by about 88% and 97% respectively during the period June, 2009 to July, 2012, the price of the steel products like Hot Rolled Coils and TMT bars have increased by about 43% and 41% respectively during the same period.

(d)&(e): The cases of cartelization fall under purview of the Competition Commission of India (CCI) under the Competition Act, 2002. No case of cartelization in steel sector pertaining to last three years has been reported.

Steel is a deregulated sector. Accordingly, the price of steel in the country is decided by the individual producers based on various market conditions including demand supply scenario, cost of raw materials and other input costs. Considering the increasing steel demand in the domestic market, Government has taken various fiscal steps as mentioned below to maintain a steady supply position in the domestic market as also to boost steel production in the country:

(i) Import duty on raw materials such as coking coal and steel melting scrap has been reduced to zero.

(ii) Import duty on steam coal has been reduced to nil with effect from 17th March, 2012.

(iii) Export duty on all grades and varieties of iron ore (except pellets) has been increased from 20% to 30% with effect from 30th December, 2011.

(iv) Export duty on chrome ore has been increased from Rs. 3000/- per tonne to 30% ad valorem with effect from 17th March, 2012.

(v) Import duty on various steel items has been kept between 5% to 7.5%.