

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:2181

ANSWERED ON:11.03.2013

NEW STEEL POLICY

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

- (a) whether the Government proposes to formulate a new steel policy;
- (b) if so, the details thereof along with the present status in this regard and the time likely to be taken in the implementation of new steel policy;
- (c) whether there has been a steady increase in the price of steel in the domestic market despite the low cost of the raw material;
- (d) if so, the details thereof, year-wise and the reasons therefor; and
- (e) the steps being taken and incorporated in the proposed steel policy to contain the price of steel in the domestic market?

**Answer**

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): Yes, Madam. As the matter involves detailed discussions with various stakeholders and with different Ministries / Departments, at this stage it is difficult to indicate by when the new Policy will be finalised.

(c)&(d): The prices of steel items in the domestic market have been fluctuating in accordance with the domestic market conditions, international steel prices, raw material prices and other inputs. A table indicating quarterly price movement in respect of HR Coil and TMT bar in the domestic market for the period from March, 2010 to February, 2013 is at Annexure – I. A table indicating the quarterly price movement of critical raw materials like iron ore and coking coal for the period from March, 2010 to February, 2013 is at Annexure – II.

Although the prices of Coking Coal have decreased (in rupee terms) by 15.20%, there is an increase of 27.86% (in rupee terms) in the prices of iron ore during the last 3 years. However, the prices of steel products like Hot Rolled Coil and TMT bar have increased by 34.38% and 35.64% respectively during the said period. This is due to increase in cost of crucial raw materials, labour, transportation and other inputs.

(e) Steel, in the country is a de-regulated sector. Accordingly, prices of various steel products are decided by individual producers based on market conditions including demand–supply scenario, trend of international steel prices, cost of raw materials and other inputs etc. Government has no direct role in fixation of steel prices. However, Government intervenes through fiscal measures, as and when need arises to maintain steady supply position and to boost steel production in the country.