

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:3390

ANSWERED ON:18.03.2013

**INCREASE IN STEEL PRICES**

Das Shri Ram Sundar;Hegde Shri Anant Kumar;Jawale Shri Haribhau Madhav;Karwariya Shri Kapil Muni;Singh Shri Rajiv Ranjan (Lalan)

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

(a) whether there has been fluctuation in the prices of steel in the domestic market during the last three years and the current year and if so, the details thereof and the reasons therefor;

(b) whether the prices of steel have increased despite the low prices of raw material in the domestic market and if so, the details thereof;

(c) whether the increase in the prices of steel has resulted in the increase in profitability of the steel manufacturers and if so, the details thereof, plant-wise;

(d) whether there have been reports of cartelization in the steel sector resulting in increase in the prices of steel; and

(e) if so, the details thereof along with the steps being taken by the Government to contain the steel prices and balance the demand and supply of the steel in the domestic market?

**Answer**

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): 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 April, 2009 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 April, 2009 to February, 2013 is at Annexure-II.

The prices of Coking Coal have increased (in rupee terms) by 49.52% and there is an increase of 166.35% (in rupee terms) in the prices of iron ore during the period April, 2009 to February, 2013. However, the prices of steel products like Hot Rolled Coil and TMT bar have increased by 41.36% and 38.95% respectively during the said period.

(c) The increase in the prices of steel has not necessarily resulted in increase in the profitability of the steel manufacturers. In respect of Steel Authority of India Ltd. (SAIL), the profit after tax during the last three years and the current year are as follows :-

Profit After Tax (Rs. in crores)

2009-10      6754

2010-11      4905

2011-12      3543

2012-13 (up to Dec. 12)    1724

Similarly, in the case of Rashtriya Ispat Nigam Ltd. (RINL), the profits during the said period are as under:-

Profit After Tax (Rs. in crores)

2009-10      797

2010-11      658

2011-12      751

2012-13 (up to Jan, 13)    250.78 (Prov.)

(d)&(e): No case of cartelization in steel sector in the last three years has been reported.

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.