

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:150
ANSWERED ON:05.08.2013
STEEL PRICES
Reddy Shri Modugula Venugopala

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 said 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)&(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 June, 2010 to June, 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 June, 2010 to June, 2013 is at Annexure – II.

(c) The prices of Coking Coal have decreased (in rupee terms) by 26.99% and there is a decrease of 4.41% (in rupee terms) in the prices of iron ore during the period June, 2010 to June, 2013. However, the prices of steel products like Hot Rolled Coil and TMT bar have increased by 9.06% and 21.24% respectively during the said period. This increase in prices is due to rising cost of 'other inputs' in the production of steel products like freight, manpower and logistics etc.

(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.