

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:2004  
ANSWERED ON:19.08.2013  
MONOPOLISTIC PRICING BY NMDC  
Pakkirappa Shri S.

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

- (a) whether the National Mineral Development Corporation (NMDC) has been resorting to monopolistic pricing in arbitrary manner and passing on the burden towards domestic steel producers and if so, the details thereof and the reasons therefor along with its likely impact on the price of steel in the domestic market;
- (b) whether the said price hike by NMDC has adversely affected the small and the medium steel manufacturers and if so, the details thereof;
- (c) whether the Government has received representations from the domestic steel manufacturers and other industrial bodies complaining against the unilateral pricing by NMDC; and
- (d) if so, the reaction of the Government thereto along with the steps taken by the Government to address the concerns of the steel manufacturers and industrial bodies in the country?

**Answer**

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): No, Madam. Iron ore and steel are in deregulated sector. NMDC Limited is one of the many iron ore producing companies in the country which supplies iron ore to the iron and steel industry in the country. Prices of iron ore and steel are fixed by the individual companies based on commercial prudence and general market conditions.

(c)&(d): Yes, Madam. Some representations have been received in the Ministry of Steel regarding pricing mechanism of NMDC Limited. Being a Navratna Public Sector Enterprise, the commercial and financial decisions including pricing of iron ore is decided by the company based on various factors. However, to improve availability of iron ore to domestic iron and steel industry at affordable price, the Government has imposed the export duty on iron ore to 30% ad valorem on all grades of iron ore (except pellets).