

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:2684

ANSWERED ON:28.07.2014

RETAIL PRICES OF STEEL

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

- (a) whether the prices of steel continue to rise despite the low prices of the critical raw materials;
- (b) if so, the details thereof along with the reasons therefore during each of the last three years and the current year;
- (c) whether cases of cartelisation of producers have been reported in the steel sectors;
- (d) if so, the details thereof; and
- (e) 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 STATE IN THE MINISTRY OF STEEL, MINES AND LABOUR AND EMPLOYMENT (SHRI VISHNU DEO SAI)

(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 April, 2011 – June, 2014 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, 2011 – June, 2014 is at Annexure – II. There has been rise in the prices of steel items during the period April, 2011 – June, 2014, due to rise in cost of other inputs like labour, transportation etc.

(c)to(e): The cases of cartelization fall under the 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) Export duty on all grades and varieties of iron ore (except pellets) has been increased from 20% to 30% with effect from December, 2011 and export duty of 5% has been imposed on the export of iron ore pellets from the country.
- ii) Export duty on chrome ore has been increased from Rs.3000/- per tonne to 30% ad valorem with effect from 17th March, 2012.
- iii) Import duty on various steel items has been kept between 5% to 7.5%.