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Title: Need to check the rise in prices of steel, cement and power in Country.

SHRI L. RAJAGOPAL (VIJAYAWADA): Mr. Chairman, Sir, steel, cement and power are the three commodities which play a major role in fuelling the growth and development of the nation. They are the key elements of growth and development in the country. However, prices of these three commodities are skyrocketing now. Steel price has touched Rs.50,000 a tonne; cement now costs more than Rs.225 a bag; and power has touched Rs.10 a unit. Andhra Pradesh is importing 1,500 MW of power at the rate of Rs.9 to Rs.10 a unit. There is a huge gap between demand and supply in these three commodities. Production of steel in India is only 50 million tonnes whereas the suppressed demand is more than 55 million tonnes.

**19.11 hrs.** (Shri Varkala Radhakrishnan *in the Chair*)

We produce 164 million tonnes of cement while the suppressed demand is 165 million tonnes. We produce 640 million units of power, almost equivalent to 1,40,000 MW, while the requirement is more than 730 million units. In fact, in the last couple of years we added very little capacity in all these commodities. We need to evolve a policy whereby the Government can control the prices by restricting import and export. We should ban the export of steel, cement and all raw materials. We have seen iron ore being exported in large quantities and we only imposed duty of it at Rs.300 ton after a delayed period. We need to work out and find why steel production is not increasing in India. Why is cement capacity not being added? We are talking of a double-digit growth. Are these key elements keeping pace with that target? Are we able to add new capacities in these commodities? While China adds 50 million tones of steel to its capacity in one year, we are producing 50 million tonnes in fifty years. In cement, China is able to add 120 million tonnes of capacity every year, while for the last 50 years we have been able to add about 164 million tonnes. This is what is happening in every sector.

We need to have proper planning. We are constructing 15 lakh houses per year for poor people under Indira Awas Yojna. In Andhra Pradesh alone 25 lakh houses per year are being constructed. A lot of irrigation projects are being constructed in India. Especially in Andhra Pradesh Rs.50,000 crore is invested in irrigation projects in the last four years. The Government of India should have a mechanism which works on these things on a day-to-day basis. Cartels are being formed today. A lot of these products are being exported. Yesterday there was a hue and cry in Visakhapatnam. Vizag Steel Plant has increased the price of steel to Rs.50,000 a tonne. Vizag Steel Plant is not supplying steel to Andhra Pradesh but sending it elsewhere and that is creating an artificial demand and supply gap. This is fuelling the prices. So, we need to work out a mechanism to control the prices of all these key elements like steel, cement and power. In the case of power, State Governments are competing with each other. Delhi, Haryana, Punjab, Karnataka, Andhra Pradesh, Maharashtra, etc., are competing with each other in buying power at Rs.10. The State Governments are competing and purchasing power at Rs.10 for which the poor man is paying. The Central Government has to intervene and bring in a mechanism to control the prices of all these three inputs.