

(b) No colliery in Orissa has been closed after initial investment by CIL or MCL.

(c) to (e) As per information available in the Ministry of Coal, the Central Fuel Research Institute, Dhanbad had done a study in 1994 on production of coke from Talcher coals and that one coke oven plant to produce coke from coal has been established within the Rourkela Steel Plant.

[*Translation*]

Sharp Increase in the Cost of Raw Materials

1637. DR. CHINTA MOHAN : Will the Minister of STEEL AND MINES be pleased to state:

(a) whether there has been a sharp increase in the costs of raw material, fuel used for the production of steel and the transportation cost as well, between 1992-93 to 1997-98;

(b) if so, the percentage of increase in raw material, fuel and transportation costs, separately;

(c) whether the wages of workers have also increased during the said period; and

(d) if so, the estimated percentage of increase in the above heads and the total increase in the production cost as a result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS) : (a) to (d) There has been a substantial increase in the costs of the major raw materials used in production of steel during the period 1992-93 to 1997-98. The actual increase in various costs and the consequential impact on production costs vary from plant to plant, depending on several factors such as locational proximity to raw material sources, volume of production, product-mix etc.

As per information available, the increase in costs of major raw materials, power, transportation and wages for Steel Authority of India Limited (SAIL), Rashtriya Ispat Nigam Limited (RINL) and The Tata Iron and Steel

Company Limited (TISCO), the main producers, has been as below:

Item	% increase during 1992-93 and 1997-98		
	SAIL	RINL	TISCO
Indigenous coal	74	54	—
Imported coal	26	29	44
Iron ore	38	66	—
Purchased power	74	—	67
Transportation	62	97	41
Wages	86	176	97

Consequential increase in cost of production (including fixed charges) of SAIL for saleable steel has been 23%, and for TISCO 26%.

In the case of RINL, the works cost per tonne of liquid steel has increased from Rs. 5291 in 1993-94 to Rs. 5767 in 1997-98, representing an increase of about 9%.

[*English*]

Financial Crisis in States

1638. SHRI TARIQ ANWAR : Will the Minister of FINANCE be pleased to state:

(a) whether the financial position of various States is fast worsening;

(b) if so, the reason therefor; and

(c) the steps taken by the Government to improve the financial condition of the States?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) (a) to (c) The States are autonomous under the Constitution and financial management of the State is the responsibility of the concerned State Governments