

LOK SABHA
UNSTARRED QUESTION NO.3220
FOR ANSWER ON 31/12/2018

STEEL PRICES

3220. SHRI LAKHAN LAL SAHU:

Will the Minister of STEEL be pleased to state:

- (a) whether there is any fluctuation in the domestic prices of steel during the last three years and the current year and if so, the details thereof and the reasons therefor;
- (b) whether there is an increase in the price of steel despite the low price of raw material in the domestic market and if so, the details thereof;
- (c) whether the profit of steel manufacturers has increased due to the hike in the price of steel and if so, the details thereof, Plant-wise;
- (d) whether the information of cartelization in the steel sector has caused/led to hike in the price of steel and if so, the details thereof; and
- (e) the corrective steps being taken by the Government to check the rise in prices of steel and to maintain balance in demand and supply?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a) Yes, Madam. There are fluctuations in steel prices because of various reasons like erratic changes in raw material prices, demand fluctuations in international and domestic markets and other global trade factors. Retail prices (Delhi market) in respect of major steel items during the last three and the current year (upto November, 2018) are as under:-

Domestic, annual, average, retail prices (Delhi market) (Rs. /tonne)				
Item	2015-16	2016-17	2017-18	Nov.18
TMT 10 mm	36745	35237	42016	53737
HR Coils 2.00 mm	35542	38825	46233	56286

Source: JPC

(b) Prices of key raw material during the last three years, 2015-16, 2016-17, 2017-18 and current period i.e. November, 2018 is shown below and indicates a decline in prices in 2015-16, 2016-17 (except Pig Iron) but a rise in prices thereafter for all:-

Domestic, annual, average, retail prices (Delhi market) (Rs./t)				
Item	2015-16	2016-17	2017-18	Nov.18
Pig Iron	25094	28958	33966	41064
Pencil Ingots	25458	25113	32998	42401
Melting Scrap HMS-II	19383	17900	24670	30090
Sponge Iron (Coal)	18417	15500	22236	30123

Source: JPC

(c)to(e): Steel is a deregulated sector. The role of the Government is that of a facilitator only. As a facilitator, the government monitors the trends and developments in the domestic market with regard to prices and announces relevant policy measures. In order to maintain balance in demand and supply side, a steel Price Monitoring Committee has been constituted by the Government with the aim to monitor price rationalization, analyse price fluctuations and advice all concerned regarding any irrational price behavior of steel commodity. Moreover, the 'Make-in-India' initiative of the Government focus on manufacturing and infrastructure, which promotes the demand and consumption of steel in the country. The Government on 08.05.2017 has notified the National Steel Policy, 2017 and the policy for providing preference to Domestically Manufactured Iron & Steel (DMI&SP) in Government procurement. These policies create facilitative environment to improve domestic production of steel and maintain equilibrium between demand and supply of steel.
