

LOK SABHA
STARRED QUESTION NO.*270
FOR ANSWER ON 16/03/2015

STEEL PRICES

*270. SHRI RAVNEET SINGH:

Will the Minister of STEEL be pleased to state:

(a) whether there has been significant variation in the prices of steel products during the last three years and the current year and if so, the details thereof including the indicative retail prices of various steel products during the said period and the reasons therefor;

(b) whether the domestic small scale steel manufacturing units have been adversely affected by fluctuation in price of raw materials in domestic market and if so, the details thereof indicating price movement of critical raw materials like iron ore and coking coal during the last three years and the current year along with the corrective steps taken by the Government in this regard;

(c) whether the Government proposes to set up a Steel Pricing Regulatory Authority to regulate price and if so, the details thereof and if not, the reasons therefor; and

(d) the measures taken by the Government to help steel industry to augment production and supply to the consumers at affordable prices?

ANSWER

THE MINISTER OF STEEL AND MINES (SHRI NARENDRA SINGH TOMAR)

(a)to(d): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (D) OF THE LOK SABHA STARRED QUESTION NO.*270 FOR ANSWER ON 16/03/2015 TABLED BY SHRI RAVNEET SINGH, MEMBER OF PARLIAMENT REGARDING STEEL PRICES.

(a) The prices of steel items in the domestic market have 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 price movement of TMT bars and HR Coils in the domestic market from January 2011 to January 2015 is at **Annexure-I**.

(b)to(d): The price of two major raw materials i.e. iron ore and coking coal during the last three years and the current year is indicated in **Annexure-II**. While iron ore is produced domestically, for coking coal India is largely dependent on imports. As can be seen Coking coal prices have continuously fallen over last four years and of late there has also been a reduction in prices of iron ore. However, there are regional shortage of iron ore due to Supreme Court decisions regarding lease renewal in the states of Goa & Odisha and cancellation of mining leases in the state of Karnataka. Steel is a deregulated sector and Government is not considering setting up a Steel Pricing Regulatory Authority. To ensure availability of iron ore to the domestic steel industry at affordable prices, the Government has imposed an export duty of 30% on export of iron ore and export duty of 5% on export of iron ore pellets.

ANNEXURE - I

DOMESTIC PRICE MOVEMENT OF VARIOUS STEEL PRODUCTS

(Rs. / tonne)

Delhi Indicative Prices	TMT	HR Coils
	10mm	2.5mm
January, 2011	39970	44140
January, 2012	46790	46400
January, 2013	47610	47640
January, 2014	48310	48060
January, 2015	42375	40667
Percentage Change in Indicative Retail Prices		
January, 2011 to January, 2012	17.1	5.1
January, 2012 to January, 2013	1.8	2.7
January, 2013 to January, 2014	1.5	0.9
January, 2014 to January, 2015*	-12.3	-15.4

Source: Indicative Retail Prices, JPC.

*Provisional

PRICE MOVEMENT OF CRITICAL RAW MATERIAL**1. Coking Coal**

(in \$/tonne)

Month & Year	Australia Hard Coking Coal
January, 2011	328.34
January, 2012	219.01
January, 2013	165.98
January, 2014	127.99
January, 2015	107.22
Percentage change in prices	
January, 2011- January, 2012	-33.29
January, 2012- January, 2013	-24.21
January, 2013- January, 2014	-22.88
January, 2014- January, 2015	-16.39

Source: Platt / ERU

2. Iron Ore

(Price in Rs./tonne)

Month & Year	Domestic Price of iron ore (Baila Lump) by NMDC	% change over previous	Domestic price of Baila Fines by NMDC	% change over previous
January, 2011	4353		2590	
January, 2012	4960	13.94	2610	0.07
January, 2013	5060	2.01	2810	7.7
January, 2014	4200	-17.0	3060	8.9
April, 2014	4500	7.1	2910	-4.9
May, 2014	4300	4.4	2910	0
June, 2014	4600	6.9	3160	8.6
July, 2014	4600	0	3160	0
August, 2014	4600	0	3160	0
September, 2014	4600	0	3160	0
October, 2014	4600	0	3160	0
November, 2014	4400	-4.3	3160	0
December, 2014	4200	-4.5	3060	-3.2
January, 2015	4200	0	3060	0
February, 2015	3750	-10.71	2760	-9.80
March, 2015	3250	-13.33	2460	-10.86

Source: NMDC
