

LOK SABHA
UNSTARRED QUESTION NO.1200
FOR ANSWER ON 11/02/2019

STEEL PRICES

1200. PROF. CHINTAMANI MALVIYA:
SHRI ALOK SANJAR:

Will the Minister of STEEL be pleased to state:

- (a) whether prices of steel in the country are increasing continuously;
- (b) if so, the details thereof including the average market price during each of the last three years and current year and the reasons therefor;
- (c) the details of actual increase of prices of materials utilized for production of steel in the country during the said period;
- (d) whether the Government is contemplating to ban the export of steel from the country to control the prices of steel; and
- (e) if so, the details thereof along with the other steps taken/being taken by the Government in this regard?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a)&(b): No, Madam. There is no continuous upward trend during each of the last three years and current year. It may be observed that prices fell in the initial period, from April, 2015 to January, 2016, before recovering again. The prices then consolidated and rose till March, 2018. Subsequent to that, the prices showed a mixed trend before peaking in September, 2018. Prices have shown a downward trend since then till January, 2019.

The monthly retail price for some steel items in the Mumbai market for the last three completed financial years and the ongoing current financial year are given in the table below:-

Mumbai Market Retail Price							
All value in Rs. / Tonne							
Month	TMT	Wire Rods	Rounds	Plates	HR Coils	CR Coils	GP Sheets
MUMBAI	10mm	8mm	16mm	12mm	2.5mm	0.63mm	0.63mm
Apr.-15	39581	38260	40097	38435	39506	43488	48957
May-15	39034	39999	41721	38719	39638	45019	49088
Jun.-15	38379	35741	36777	36203	36575	41169	48825
Jul.-15	36623	32993	35085	34694	34694	39375	46988
Aug.-15	35190	32304	33562	33206	33425	38063	46988
Sep.-15	34469	32517	38161	35788	35919	38938	48169
Oct.-15	33872	31139	35438	34497	35350	38675	45675
Nov.-15	31661	32780	33567	31369	32200	37275	45938
Dec.-15	30633	32189	34683	32419	32463	35044	46594
Jan.-16	31308	29252	31074	29225	30319	34038	42525
Feb.-16	33673	37505	36685	33075	33513	36750	44100
Mar.-16	35145	36635	36160	34322	34388	38588	46725
Apr.-16	35078	36127	35935	34388	35656	38850	42657
May-16	34821	40261	39572	35438	35831	39900	42132
Jun.-16	33733	34421	33513	34344	34431	38675	42394

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Jul.-16	31095	33206	33031	33885	34672	39025	43050
Aug.-16	29478	35605	30686	34895	35122	38987	42919
Sep.-16	31536	36912	33763	35858	37382	39900	43313
Oct.-16	32447	34104	35927	37538	37538	41475	43313
Nov.-16	33685	39428	35007	38566	38270	43108	45938
Dec.-16	34926	43638	36735	43339	43739	47602	55125
Jan.-17	38525	44323	34265	43824	44264	48320	52238
Feb.-17	35298	36601	33692	42166	42327	46843	52713
Mar.-17	38098	40478	38098	41921	41783	47931	50925
Apr.-17	39631	43057	43121	42326	42725	47057	52894
May-17	37891	41670	42378	41033	40987	45617	51975
Jun.-17	36428	42783	42099	41278	41132	46064	51319
Jul.-17	39685	43955	43692	42178	42047	46488	52374
Aug.-17	38863	44200	42010	44159	44270	48795	50003
Sep.-17	38081	44727	41014	44557	44237	51389	54575
Oct.-17	37380	46132	40593	43943	43806	47200	50150
Nov.-17	38253	44055	39179	43695	43920	49068	54870
Dec.-17	41637	48120	44308	44250	43808	48380	50003
Jan.-18	47191	46852	44296	46020	46595	52018	53100
Feb.-18	49140	48339	47333	51295	51778	55860	59590
Mar.-18	48758	48710	46822	52962	57378	62304	64248
Apr.-18	49416	48557	48970	54870	56640	61360	64055
May.-18	49949	49147	48528	53513	54776	61793	65584
Jun.-18	48998	49672	50593	55062	54351	64113	66750
Jul.-18	45472	49519	51404	54900	54737	63130	66051
Aug.-18	47233	49672	51625	55362	55554	64900	65584
Sep.-18	50362	49300	51183	56648	57569	64310	66051
Oct.-18	47880	49082	52805	56410	56170	64330	66438
Nov.-18	48224	48710	50357	56777	56362	63720	64040
Dec.-18	45595	48120	49796	54245	54189	61360	61765
Jan.-19	45137	48120	50003	50655	50328	57460	57910

Source: Joint Plant Committee(JPC)

Note: Prices are collected as on 15th day of each month. Prices are inclusive of excise duty and sales tax / GST

(c) Steel is a deregulated sector and procurement of raw materials are done by individual steel companies taking into account market dynamics and commercial considerations. The prices of some major raw materials are given as under which are indicative in nature and provide the broad contours of price flows in the international and domestic market:-

Raw Material Prices in \$/tonne				
Month	Shredded Scrap (FOB) Rotterdam Export	Australia Hard Coking Coal	CFR China - Iron Ore 62% fines	NMDC Lump Price Rs./T
Apr.-15	249.0	89.4	48.0	3050
May-15	269.0	82.5	59.0	3050
Jun.-15	258.0	87.9	57.0	3050

Jul.-15	245.0	83.9	56.0	2950
Aug.-15	236.5	83.5	54.0	2950
Sep.-15	217.5	80.3	57.0	2950
Oct.-15	178.5	78.7	53.0	2500
Nov.-15	189.0	73.7	50.0	2100
Dec.-15	186.0	74.9	36.0	1800
Jan.-16	182.0	76.0	42.0	1800
Feb.-16	175.5	74.4	41.0	1800
Mar.-16	204.0	79.1	41.0	1950
Apr.-16	258.0	92.9	53.0	2100
May.-16	298.0	90.7	59.0	2000
Jun.-16	221.0	90.5	60.0	1800
Jul.-16	211.0	96.2	62.0	1700
Aug.-16	219.0	115.7	66.0	1700
Sep.-16	212.0	194.0	56.0	1700
Oct.-16	215.0	234.1	57.0	2100
Nov.-16	256.5	300.7	78.0	2100
Dec.-16	273.0	262.0	79.0	2100
Jan.-17	266.5	185.5	81.0	2225
Feb.-17	256.0	162.3	92.0	2325
Mar.-17	272.5	158.3	88.0	2425
Apr.-17	262.0	260.2	68.0	2425
May.-17	262.0	171.1	61.0	2425
Jun.-17	270.0	146.5	55.0	2425
Jul.-17	294.4	166.3	66.0	2225
Aug.-17	337.8	196.9	74.0	2225
Sep.-17	325.8	203.5	72.0	2400
Oct.-17	288.1	182.2	63.0	2300
Nov.-17	296.4	192.0	63.0	2300
Dec.-17	337.9	237.3	72.0	2600
Jan.-18	348.7	239.0	77.0	3100
Feb.-18	337.5	229.1	78.0	3100
Mar.-18	359.5	216.9	72.0	3000
Apr.-18	344.0	190.1	64.0	2900
May-18	335.8	184.8	67.0	3050
Jun.-18	339.2	198.5	68.0	3050
Jul.-18	328.0	185.0	64.0	3200
Aug.-18	305.5	182.2	67.0	3350
Sep.-18	307.5	199.3	68.0	3550
Oct.-18	313.7	217.1	69.0	3850
Nov.-18	319.3	220.8	75.1	3850
Dec.-18	284.2	227.3	69.9	3250
Jan.-19	275.6	198.0	75.4	2900
Source: NMDC				

(d)&(e): Steel sector being a deregulated sector, the Government does not intervene in the pricing decisions of the steel companies. Consequently, the domestic steel prices are market driven and depend on the demand-supply scenario and the intensity of competition. The government is not contemplating any ban on steel exports.

However, the Ministry of Steel is taking steps to make the raw materials like iron ore, coking coal and natural gas available at affordable prices, so that the steel companies can become globally competitive. The Government is also trying to encourage private players and CPSEs to go for overseas asset acquisitions for raw material securitization. The Government has released the National Steel Policy 2017, which had laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31. The Government has also implemented the preference to Domestically Manufactured Iron & Steel Products (DMI&SP) Policy which mandates a minimum domestic value addition of 15% on the imported input steel to be eligible for big ticket Government procurements and tenders. There is also the 'Make-in-India' programme, which aims to provide an impetus to the manufacturing and mining sector of the country through various policy initiatives and incentives which are expected to benefit the domestic steel industry.
