

GOVERNMENT OF INDIA
MINISTRY OF STEEL
LOK SABHA
UNSTARRED QUESTION NO.2184
FOR ANSWER ON 08/03/2021

PRICES OF STEEL

2184. SHRI RAVNEET SINGH BITTU:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that the steel companies have raised the prices of steel and more increases in prices are likely in future and if so, the details thereof;
- (b) whether the Government is aware that this rapid increase in prices of steel has adversely affected the user and raw materials industry in the country and if so, the details thereof;
- (c) whether it is a fact that due to increase in raw material prices of steel, copper and aluminium along with a steep rise in prices of solar modules, Solar EPC companies have been very adversely affected;
- (d) whether the Government is taking any steps to offset the negative impact on the user and raw materials industry as well as Solar EPC companies of this rapid increase in steel, copper and aluminium prices; and
- (e) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

(a)to(e): Steel, being a deregulated sector, the domestic steel price is determined by various factors like demand and supply, trends in prices of raw materials and is also influenced by global conditions. The important factors contributing to increase in prices of steel in recent months, inter-alia, include the demand-supply mismatch following Covid-19 pandemic lockdown and gradual unlocking. The solar power developers in their interactions with the Ministry of New & Renewable Energy have indicated that there has been volatility in prices of inputs/ raw material for solar power plants including increase in prices of steel used in solar power projects. However, the Ministry of New & Renewable Energy has not received any formal report on the issue of solar EPC companies being adversely affected on this account.

The Government has taken various steps to ramp up production of iron ore and steel to increase their domestic availability e.g. grant of permission to Steel Authority of India Ltd (SAIL) to sell 25% fresh fines and 70 Million Ton dumps and tailings, accelerating auction of iron-ore fines by SAIL and early operationalization of forfeited working mines of Odisha by the State and Central PSUs etc. Further, in the Budget 2021-22, following measures have been announced:-

- (i) Reduction in Basic Customs Duty on Semis, certain flat products of non-alloy steel and alloy steel, long products of non-alloy, alloy and stainless steel to 7.5%.
- (ii) Reduction in Basic Custom Duty for specified period on Iron and Steel Scrap to 'Nil'.

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- (iii) Reduction in Basic Custom Duty on raw material for manufacture of CRGO from 2.5% to 'Nil'.
- (iv) Temporary revocation of Anti-Dumping Duty (ADD)/Countervailing Duty (CVD) on (a) Straight Length Bars and Rods (b) High-Speed Steel of Non-Cobalt Grade (c) Aluminum-Zinc coated flat rolled steel product (d) Cold rolled and hot rolled stainless steel products.
- (v) Revocation of CVD on Flat products of Stainless-Steel and discontinuation of ADD on Cold Rolled Flat Stainless-Steel Products.
- (vi) Reduction in Basic Customs Duty on Copper Scrap from 5% to 2.5%.
