

GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO.3947
FOR ANSWER ON 22/12/2021

ENGINEERING EXPORTERS

3947. SHRI HEMANT TUKARAM GODSE:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that the Engineering Exporters use steel as raw material to manufacture products for export purposes and if so, the details thereof;
- (b) whether high prices of domestic steel has resulted in non-competitiveness of Indian downstream engineering exports and if so, the details thereof;
- (c) whether the domestic steel makers charge huge margins from engineering exporters and if so, the details thereof; and
- (d) whether there is a need to provide steel at affordable rates to engineering exporters and if so, the steps taken/proposed to be taken by the Government to provide steel at affordable rates to engineering exporters?

ANSWER

THE MINISTER OF STEEL

(SHRI RAM CHANDRA PRASAD SINGH)

(a)&(b): Engineering Exporters use several steel products as raw material to manufacture products for export purpose. These include HR Coil, CR Coil, Galvanized coil, plates (flat rolled products) and Wire Rods, Bars, Structural (long products). Details of average prices of key steel items used in Engineering products in months of April, 21 and November, 21 and percentage variations are given as follows:-

JPC Average Market Price (Retail) (excluding GST)		
(price in ₹ per tonne)		
Item	April'21	Nov.'21
Wire Rod 8 mm	50057	55388
Rounds 12 mm	49665	55540
TMT 10 mm	51919	57314
Plates 10mm	60530	69852
HR Coils 2.00 mm	62500	71623
CR Coils 0.63mm	72900	78860
GP sheets 0.63mm	75674	85237
Source: Joint Plant Committee (JPC)		

Contd.....2/-

(c)&(d): Steel is a deregulated sector where prices are cyclic in nature and are a function of demand and supply, global market conditions, trends in price of raw materials, logistic cost, power and fuel cost etc. Government has taken various steps to increase availability of iron ore and steel and make them available at reasonable price to all user sectors including Engineering exporters. These include:

- (i) Mining and Mineral Policy reforms to enhance production/availability of iron ore, early operationalization of forfeited working mines of Odisha by the State and Central PSUs etc., and ramping up production and capacity utilization by steel producers.
- (ii) Reduction in Customs Duty uniformly, in Union Budget 2021-22, to 7.5% on Semis, Flat and Long products of non-alloy, alloy and stainless steels. Further, to provide relief to metal re-cyclers, mostly MSMEs, BCD on steel scrap has been exempted for a period up to 31st March, 2022. In addition, ADD and CVD on certain steel products have also been revoked/temporarily revoked.
- (iii) Facilitation of supply of steel under four product categories (Hot Rolled Coil, Cold Rolled Coil, Wire Rods and Alloy Steel Bars) to MSME members of EEPCC by major steel producers at an export parity price through DGFT order which provides that such sales will be considered as deemed export and steel producers can avail duty drawback on steel supplied by them.
