

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.316
FOR ANSWER ON 03/02/2021

STEEP HIKE IN PRICES OF STEEL

316. SHRI SUSHIL KUMAR MODI:

Will the Minister of Steel be pleased to state:

- (a) whether it is a fact that prices of Iron have skyrocketed from ₹ 35,000/tonne in July, 2020 to ₹ 58,000/tonne in Jan 2021;
- (b) whether it is a fact that Iron ore (lump) price has changed 153 % in April-December 2020 in comparison to April-December 2019; and
- (c) if so, the reason for this huge increase?

ANSWER

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

- (a) Comparative details of average domestic retail prices (Delhi market) of Pig Iron and Sponge Iron for July '20 and January '21 are as following:-

Item	Domestic average retail prices (Delhi) (₹ per Ton)		
	July, 2020	January, 2021	% change
Pig Iron	36820	50940	38.3
Sponge Iron	22540	33970	50.7

(Source: Joint Plant Committee-JPC)

- (b) The Iron ore prices during April-December, 2020 as compared to April-December, 2019 are given below:-

Month	Iron Ore Lumps Base Price (Rs./tonne) Fe 65.5%,6-40 mm	Month	Iron Ore Lumps Base Price (in Rs./tonne) Fe 65.5%,6-40 mm	% change (MoM basis)
Apr.-19	2850	Apr-20	2650	-7.02
May.-19	2850	May-20	2250	-21.05
Jun.-19	3100	Jun-20	2250	-27.42
Jul.-19	3100	Jul-20	2450	-20.97
Aug.-19	2900	Aug-20	2950	1.72
Sep.-19	2700	Sep-20	3250	20.37
Oct.-19	2700	Oct-20	3450	27.78
Nov.-19	2600	Nov-20	4000	53.85
Dec.-19	2600	Dec-20	5200	100

(Source: NMDC)

(c) In a de-regulated market-scenario, prices of Iron & steel along with raw materials are determined by market conditions of demand and supply at both domestic and global levels. The domestic production of iron ore up to November in the current FY has been 112 Million Ton as compared to 152 Million Ton during the corresponding period of last year (CPLY), mainly due to non-operationalization of mining leases in the State of Odisha, post their auction in March, 2020. The important factors contributing to increase in prices in recent months inter-alia include the demand-supply mismatch following only partial resumption in economic activities across the globe, especially in Europe, Japan and South Korea following lock downs due to Covid-19 pandemic and prevailing high global steel prices etc.
