

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.455
FOR ANSWER ON 27/04/2016

HIGHER DOMESTIC PRICE OF STEEL THAN INTERNATIONAL PRICE

455. SHRI MEGHRAJ JAIN:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that despite India being the major producer of iron ore and coal, the price of steel in our country is higher than the international prices;
- (b) if so, the reasons therefor;
- (c) whether the prices of steel have increased during the last three years, if so, the percentage of increase in the prices; and
- (d) its impact on domestic industry, specially on forging industry?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI VISHNU DEO SAI)

(a)&(b): Price of steel products is compared to the domestic price of similar products in various countries and not export prices, since export prices donot include duties, taxes etc. The comparison of Indian and international domestic prices of various steel products during April, 2016 is given below. This will show that steel prices (in \$ terms) in India are amongst the lowest in the compared sample and hence it is incorrect to say that steel prices in India are on a higher side.

Value : US \$/Mt

Sl. No	Item	India Domestic				International domestic				
		Mumbai	Delhi	Kolkata	Chennai	Turkey	USA	EU	Japan	Korea
1	Rebars	416	404	399	441	498	546	429	502	434
2	Hot Rolled Coils	418	409	429	427	460	510	410	537	456
3	Cold Rolled	470	461	526	515	480	686	519	651	697

(c) No, Sir. The domestic steel prices had maintained a sharp downward trend during since January, 2014. In between January, 2014 & March, 2016, prices of TMT Re-bars have declined by 27%. Similarly, prices of HR Coils and CR Coils has declined by 30% and 29% respectively from the price level of January, 2014.

FOB prices of Re-bars have also decreased by 32% while that of HR Coils and CR Coils have decreased by 35% during January, 2014 and March, 2016.

(d) As per the reply mentioned in above question, the domestic steel prices had maintained a sharp downward trend since January, 2014. Hence, in terms of input prices, there would not have been any adverse impact on the forging industry.
