

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**LOK SABHA**  
**UNSTARRED QUESTION NO.532**  
FOR ANSWER ON 20/07/2022

**STEEL AS RAW MATERIAL**

532. SHRI KRUPAL BALAJI TUMANE:  
SHRI OMPRAKASH BHUPALSINH alias PAWAN RAJENIMBALKAR:

Will the Minister of STEEL be pleased to state:

- (a) whether engineering goods exporters use steel as a raw material for making goods for exports and if so, the details thereof;
- (b) whether as a result of high cost of indegnious steel, India's position is not competitive in down streaming engineering exports and if so, the details thereof;
- (c) whether indegnious steel manufacturers are earning huge profits from engineering exporters and if so, the details thereof;
- (d) whether there is any need to provide steel at cheaper rates to engineering goods exporters; and
- (e) if so, the steps taken/proposed to be taken to make steel available at cheap rates to engineering goods exporters?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI FAGGAN SINGH KULASTE)

(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 May'22 and June'22 are given below. From the price details provided below, it can be ascertained that the price of steel has reduced considerably in May-June 2022 making Indian steel competitive.

<b>Average Market Price (Retail) (excluding GST)</b>		
<b>Item</b>	<b>June'22</b>	<b>May'22</b>
Wire Rods 8 mm	57775	65055
Rounds 12 mm	57091	63108
TMT 10 mm	59172	66678
Plates 10 mm	62309	71182
H.R. Coils 2.00 mm	64629	73591
C.R. Coils 0.63 mm	71877	80261
G. P. Sheets 0.63 mm	78528	87377
Source: Joint Plant Committee (JPC); Price in ₹ per Ton		

(c)to(e): 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 towards making raw material and steel available at reasonable prices, 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 Steel and Central PSUs etc., and ramping up production and capacity utilization by steel producers.
- (ii) In Budget announcements 2021-22 and 2022-23, Customs Duty has been reduced uniformly to 7.5% on Semis, Flat and Long products of non-alloy, alloy and stainless steels. Basic Custom Duty (BCD) on steel scrap has been exempted upto 31.3.2023. Anti-Dumping Duties (ADD) and Countervailing Duties (CVD) on steel products have also been revoked.
- (iii) Government has made further modifications in tariffs on raw materials of steel and other steel products vide notification dated 21.05.2022 to control the soaring steel prices. Import duty on Anthracite/Pulverized Coal Injection (PCI) Coal, Coke and Semicoke and Ferro-Nickel has been reduced to zero. Export duty on Iron ores/ concentrates and iron ore pellets has been raised to 50% and 45% respectively. In addition, 15% export duty has been imposed on pig iron and several steel products.

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