

GOVERNMENT OF INDIA
MINISTRY OF STEEL
RAJYA SABHA
UNSTARRED QUESTION NO. 1439
FOR ANSWER ON 13/03/2023

INCREASE IN PRICE OF GRAPHITE ELECTRODES

1439 DR. SANTANU SEN:

Will the Minister of STEEL be pleased to state:

- (a) whether Government has noticed that there is a sharp increase in the price of graphite electrodes in the last five years;
- (b) if so, the year-wise details thereof and reasons therefor;
- (c) the details of total quantity of graphite electrodes exported and imported by steel plants in last five years, year-wise;
- (d) the details of the measures taken by Government to increase domestic graphite production in last five years, year-wise, State-wise; and
- (e) the details of the problems faced by Indian steel industry due to the price hike of graphite electrode in last five years, year-wise?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL

(SHRI FAGGAN SINGH KULASTE)

(a)&(b) : The price of graphite electrodes tends to vary with the price of its primary raw material, i.e. needle coke along with petroleum coke and coal bitumen. There are only six producers of graphite electrode worldwide. In the past, due to various reasons including environmental issues, much of the production abroad were shut down resulting in a global shortage of the product and consequent rise in prices. The details of price of graphite electrodes since 2018-19 are given as follows:-

Graphite Electrode,450mm HP	Price in Rupees per tonne
2018-19	3,10,958
2019-20	1,40,833
2020-21	2,24,222
2021-22	3,34,500
2022-23 (as of Jan-23)	3,30,000
Source: Industry estimates	

: 2 :

(c) The quantity of import and export of graphite electrodes, including by steel plants, during the last five years and for the current year is given below:-

(in thousands of tonnes)		
Year	Export	Import
2017-18	20.28	20.29
2018-19	25.12	25.24
2019-20	25.08	23.65
2020-21	19.26	21.16
2021-22	24.76	25.41
2022-23 (Apr-Jan)	21.38	19.46
Source: DGCIS, Ministry of Commerce & Industry		

(d)&(e): Steel is a deregulated sector, where Government acts as a facilitator and all techno-commercial decisions are taken by individual companies based on domestic and global market factors. The impact of variation in graphite electrode prices depends on the individual company's commercial arrangements with graphite electrode suppliers. However, to provide relief to the steel producers, the Government keeps a watch on the prices of graphite electrodes and steel items and accordingly makes suitable changes in Basic Customs Duty from time to time.

Some of the recent initiatives taken by Government to increase production of graphite includes, inter-alia, the following:-

- (i) To give impetus on exploration for strategic & critical minerals, Geological Survey of India (GSI) has taken 125 projects on critical and strategic minerals, including graphite, during 2022-23.
- (ii) Through National Mineral Exploration Trust (NMET), Government has approved projects of mineral exploration and enhancing institutional capabilities in exploration worth ₹154.84 crore, which includes Graphite.
- (iii) Ministry of Steel has requested stakeholders viz. producers of graphite electrodes and the suppliers of petroleum coke (raw material) to make arrangements for proper & timely supply of raw materials to graphite electrode producers.
