

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.1756
FOR ANSWER ON 01/08/2022

RISE IN STEEL PRICES

1756 DR. FAUZIA KHAN:

Will the Minister of STEEL be pleased to state:

- (a) whether India has been the world's second largest producer of crude steel in January 2021;
- (b) whether it is a fact that steel prices have gone up in the country, if so, the reasons therefor;
- (c) whether country's sharp rise in steel prices in April-May 2022 had a major diverse effect on construction activities, if so, the details thereof and the role played by Government in this regard; and
- (d) the measures taken by Government to prevent a sudden rise in steel prices?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL

(SHRI FAGGAN SINGH KULASTE)

(a) During the month of January 2021, India was the second largest producer of crude steel in the world with a production of 10.30 Million Ton as per data released by World Steel Association.

(b)&(c): Steel is a deregulated sector where prices are a function of demand and supply, global market conditions, trends in price of raw materials, logistic cost, power, and fuel cost etc. Average prices of key steel items have reduced in June 2022 as compared to April-May 2022 as given below: -

Item	April '22	May '22	June '22
Wire Rods 8 mm	65949	65055	57775
Rounds 12 mm	66674	63108	57091
TMT 10 mm	70265	66678	59172
Plates 10 mm	76225	71182	62309
HR Coils 2.00 mm	77949	73591	64629
CR Coils 0.63 mm	86335	80261	71877
G.P Sheets 0.63 mm	91617	87377	78528

Source: Joint Plant Committee, Price in ₹ per Ton excluding GST.

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Details of production and consumption of long steel products used in the Construction sector during April-May 2022 as compared to corresponding period last year are given below: -

	Total Long Products (Bars, Rods, Structural and Railway Materials)			
	April 21	April 22	May 21	May 22
Production	4.97	5.16	4.27	5.23
Consumption	5.13	5.20	4.39	5.13
Source: Joint Plant Committee(JPC), Quantity in million tonnes				

- (d) Government has taken various steps to stabilize steel prices, which include: -
- (i) In Union Budget 2021-22, the Custom Duty on Semis, Flat and Long products of non-alloy, alloy and stainless steel were reduced to 7.5%. In Union Budget 2022-23, the exemption in Custom Duty on steel scrap has been extended upto 31.3.2023 along with revocation of Anti-Dumping Duties (ADD) and Countervailing Duties (CVD) on steel products.
- (ii) Government has made modifications in tariffs on raw materials of steel and other steel products vide notification dated 21.05.2022 wherein the import duty on Anthracite/Pulverized Coal Injection (PCI) Coal, Coke, 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 and 15% export duty has been imposed on pig iron and several steel products.
