

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO. 2074
FOR ANSWER ON 07/08/2023

INCREASE IN PRICES OF STEEL

2074. SHRI M. MOHAMED ABDULLA:

Will the Minister of STEEL be pleased to state:

(a) whether the price of Steel has increased about 200 per cent in the last five years which has drastically affected our infrastructure development and if so, the details thereof;

(b) whether there is any issues in the supply of iron ore or raw material for steel plants in the country; and

(c) if so, the details thereof and the steps taken by Government to make steel industry more efficient and be available at cheap rate?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL

(SHRI FAGGAN SINGH KULASTE)

(a) The average prices of key steel items have increased from 15%-40% across different products of iron and steel in July'23 compared to July'18, the details of which are given as follows:-

Average Market Price (Retail) (Excluding GST)			
Item	July, 2018	July, 2023	% change
Pig Iron	33205	46814	41%
Pencil Ingots	34973	43130	23%
Wire Rods 8 mm	42812	51610	21%
Rounds 12 mm	42474	51695	22%
TMT 10 mm	40678	51396	26%
Plates 10 mm	45254	55689	23%
H. R. Coils 2.00 mm	46816	57199	22%
C. R. Coils 0.63 mm	52500	61572	17%
G. P. Sheets 0.63 mm	57822	66436	15%
Source: Joint Plant Committee(JPC), Prices in ₹ per Ton			

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(b) The production of iron ore is sufficient to meet the current demand/consumption by domestic steel industry in the country. The details of Production, Import and Export of Iron Ore during 2018-19 to 2022-23 are given as follows:-

Year	Production	Export	Import
2018-19	206	16.15	12.81
2019-20	244	36.63	1.25
2020-21	205	57.72	0.77
2021-22*	254	26.49	6.68
2022-23*	258	21.17	1.79

Source: IBM and DGCI&S; Quantity in million tonne; *Provisional

(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. The policy measures taken by the Government, as a facilitator, to make steel industry more efficient and increase the domestic availability at reasonable prices include the following:-

- (i) Calibration of import and export duties on coking coal, iron & steel between May-November 2022;
- (ii) Exemption of Basic Customs Duty on stainless-steel & ferrous scrap and CRGO raw materials upto 31.03.2024;
- (iii) Reforms in Mining and Mineral Policy to enhance production/availability of iron ore;
- (iv) Reduction of Basic Customs Duty uniformly to 7.5% on Semis, Flat and Long products of non-alloy, alloy and stainless;
- (v) Notification of Steel Scrap Recycling Policy to enhance availability of domestically generated scrap;
- (vi) Notification and launch of Production Linked Incentive (PLI) Scheme for Specialty Steel with an outlay of ₹ 6,322 Crore with an aim to boost the domestic production and attract significant investments for 'specialty steel' production;
- (vii) Improvement in logistics/connectivity for the steel sector.
