

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.3069
FOR ANSWER ON 20/12/2012

CARTELIZATION IN STEEL SECTOR

3069. SHRI RAGHUNANDAN SHARMA:

Will the Minister of STEEL be pleased to state:

- (a) whether the retail prices of steel have remained unsteady during the last three years;
- (b) if so, the details thereof and the reasons therefor and price range of crucial raw materials during the said period;
- (c) whether the prices of steel have continually increased despite the prices of crucial raw materials being low and if so, the reasons therefor;
- (d) whether the incidents of cartelization of the producers in the steel sector have been reported; and
- (e) if so, the details thereof, the steps being taken by Government to break the cartelization?

ANSWER

THE MINISTER OF STEEL

(SHRI BENI PRASAD VERMA)

(a)&(b): The prices of steel items in the domestic market have been fluctuating in accordance with the domestic market conditions, international steel prices, raw material prices and other inputs. A table indicating quarterly price movement in respect of HR Coil and TMT bar in the domestic market for the period from December, 2009 to November, 2012 is at **Annex-I**. A table indicating the quarterly price movement of critical raw materials like iron ore and coking coal for the period from December, 2009 to November, 2012 is at **Annex-II**.

(c) The prices of crucial raw material, Coking Coal have increased (in rupee terms) by 7.78% and that of Iron ore by 29.56% (in rupee terms) during the last 3 years. On the other hand, prices of steel products like Hot Rolled Coil and TMT bar have increased by 38.06% and 53.54% respectively during the said period due to increase in cost of crucial raw materials, labour, transportation and other inputs.

(d)&(e): As per information available no case of cartelization in steel sector has been reported during the last three years.

Annex-I**Retail Steel price Movement in Delhi Market during December 2009 to November 2012**

Rs/tonnes

Month	Hot Rolled Coils 2.00mm	TMT 10mm
Dec. 2009	35310	32290
March 2010	36240	35100
June 2010	44660	39210
Sept. 2010	43320	36350
Dec. 2010	44840	36930
March 2011	45540	41990
June 2011	43330	43220
Sept. 2011	43210	43870
December 2011	47430	46370
March 2012	47630	47670
June 2012	49050	50280
September 2012	48840	49580
November 2012	48750	49580

Indicative price in Delhi market inclusive of transportation, taxes & duties
(Source:JPC)

Annex-II**Price of Critical Raw Materials for Steel During December 2009 to November 2012**

Month	\$/Tonne *		Exchange Rate Rs. Per US \$ **	Rs. / Tonne ***	
	Coking Coal	Iron Ore		Coking Coal	Iron Ore
Dec. 09	172.5	110.0	46.67	8051	5134
Mar. 10	232.5	143.0	45.59	10600	6520
Jun. 10	225.0	148.5	46.41	10442	6892
Sep. 10	202.5	145.5	46.81	9478	6810
Dec. 10	222.5	173.5	45.33	10086	7865
Mar. 11	325.0	173.5	45.25	14705	7850
Jun. 11	310.0	176.0	44.76	13876	7878
Sep. 11	302.5	186.5	47.55	14385	8869
Dec. 11	225.0	141.5	53.54	12046	7575
Mar. 12	214.5	148.5	50.38	10806	7481
June 12	223.5	137.5	55.41	12385	7619
Sept. 12	146	103.5	54.30	7928	5620
Nov. 12	158.5	121.5	54.75	8678	6652

Note: Price of Coking Coal are spot prices of hard coking coal FOB Australia

Price of Iron Ore are spot prices of 63.5% Fe Iron Ore CFR China

(Source: * SBB, as provided by Economic Research Unit, Ministry of Steel;

** Economic Research Unit, Ministry of Steel

*** Estimated by Economic Research Unit, Ministry of Steel)
