

GOVERNMENT OF INDIA
MINISTRY OF STEEL
RAJYA SABHA
UNSTARRED QUESTION NO.478
FOR ANSWER ON 20/11/2019

PRICE OF STEEL

478. SHRI RAM VICHAR NETAM:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that the price of steel is at the lowest in comparison to last three years due to poor domestic demand in the country;
- (b) if so, the details thereof;
- (c) whether the domestic steel companies suffered a great loss due to this and certain big companies stopped their production; and
- (d) if so, the details thereof and the steps being taken by Government in this regard?

ANSWER

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

(a)&(b): Steel industry is a deregulated sector and steel prices in the country are market driven and commercially determined. Prices of Steel are determined considering multiple factors and cannot only be attributed to poor domestic demand. Data on domestic, average, retail prices (Delhi market) of key items of iron and steel during October, 2019 and same period of last three years indicate that such prices were lowest during October, 2016 for all items, if prices for the same month are compared in last three years:-

Item	Domestic, average, retail prices (Delhi market)			
	Oct.'19	Oct.'18	Oct.'17	Oct.'16
	(₹/Ton)	(₹/Ton)	(₹/Ton)	(₹/Ton)
Wire Rod 8mm	41890	49560	42105	36000
Rounds 12mm	41760	48380	38356	35000
TMT 10mm	42330	51212	41348	36000
Plates 10mm	40950	57112	44250	39000
HR Coils 2.00 mm	42540	58115	45378	39000
CR Coils 0.63mm	45710	63799	51455	42000
GP Sheets 0.63mm	55870	67282	58767	49000
Source: JPC				

(c) Major Indian steel companies have reported decline in their profits in H1 of FY 2019-20 as compared to H1 of FY 2018-19. However, there were no reports of stopping of production by any major steel company. There are multiple factors such as higher input costs, lower sales realization etc. that may lead to decline in profits and cannot be solely attributed to poor domestic demand.

(d) As stated above for reply to Part (a), Steel industry is a deregulated sector and steel prices in the country are market driven and commercially determined. However, the Government has taken various initiatives to protect the domestic steel sector through various trade measures such as anti-dumping duties, countervailing duty and Minimum Import Price. In addition to trade measures, Government has also rolled out Domestically Manufactured Iron & Steel Products Policy for procurement of domestically manufactured Iron & Steel products by Government agencies, as well as Quality Control Orders to prevent import of substandard steel into the country.