

Measures to contain steel prices

3540. SHRI M. V. MYSURA REDDY:

SHRI RAJEEV CHANDRASEKHAR:

Will the Minister of STEEL be pleased to state:

(a) in view of increasing steel prices in the domestic market, whether his Ministry has recommended to the Prime Minister and Finance Minister to withdraw export incentives available to steel through Duty Entitlement Pass Book Scheme;

(b) if so, the details of recommendations made;

(c) whether it is also a fact that his Ministry has recommended for zero per cent duty on steel imports so as to meet the growing domestic crisis;

(d) whether any response his Ministry got from the Prime Minister;

(e) if so, the details thereof; and

(f) the other measures taken to contain the steel prices in the country?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI JITIN PRASADA):

(a) and (b) In view of the increasing steel prices, Ministry of Steel had recommended to Department of Commerce that DEPB benefits on steel products like galvanized steel products, billets, TMT, Hot Rolled products, Cold Rolled products and Pig iron may be dispensed with as a temporary measure to disincentivise exports.

(c) to (e) In order to contain steel prices in the domestic market, a number of fiscal measures are under consideration. The Government is closely monitoring the movement of steel prices and will take the appropriate fiscal measures, as per the situation.

(f) The Government has taken the following measures for stabilizing the steel prices in the domestic market:

(i) In the Union Budget Proposal 2008-09, the import duty on melting scrap has been reduced from 5% to NIL.

(ii) General Rate of Excise Duty has also been reduced from 16% to 14% in the Union Budget Proposal 2008-09.

(iii) DEPB benefits on export of various categories of steel products have been withdrawn w.e.f. 27.03.2008.

Hike in the price of steel

3541. SHRI C. RAMACHANDRAIAH: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the two per cent excise duties cut on steel has not been passed on to the consumers by the steel manufacturers and are resorting to hiking the prices of steel;

(b) if so, the reasons therefor;

(c) whether any steps have been mooted to make the steel pricing more transparent;

(d) if so, the details thereof; and

(e) the reasons why the Price Monitoring Committee of his Ministry has failed to rein prices?