

Year	Unit: '000 tonnes				
	Production of crude steel	Production for sale of total Finished steel (alloy+non-alloy)			
		<i>Alloy</i>	<i>Non-alloy</i>	Total	
2005-06	46460	2176	44390	46566	50196
2006-07	50817	2333	52529		52750
2007-08*	53904	2510	55260		

SOURCE : JPC; * = provisional

(c) Demand for steel is indicated by the parameter consumption of steel, defined as Production+Imports-Exports+Variation in Stocks. Data on consumption of total finished steel (non-alloy and alloy) in the country during the last three years is shown in the table below:

Year	Total Finished Steel Consumption** ('000 tonnes)		
	Non-alloy	Alloy	Total
2005-06	39185	2248	41433
2006-07	44328	2455	46783
2007-08*	49300	2500	51800

SOURCE : JPC; * = provisional; ** = after accounting for double counting

(d) The Government has taken the following measures for stabilizing the steel prices in the domestic market and is also closely monitoring the movement in steel prices and will take additional appropriate measures, as per the situation.

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- (iii) DEPB benefits on export of various categories of steel products have been withdrawn w.e.f. 27.03.2008.

International price of steel

3536. SHRI DHARAM PAL SABHARWAL: Will the Minister of STEEL be pleased to state:

- (a) whether the Government is aware that raw material prices such as coking coal, energy prices and other raw material have increased during the last one year;
- (b) if so, the details of increase of raw material used for making steel;
- (c) whether it is a fact that domestic steel prices are still lagging behind international steel prices;
- (d) if so, what are the average domestic steel prices as compared to international steel

prices; and

(e) the reasons for forcing the SAIL and other companies to reduce steel prices when international steel prices are going up?

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

(a) Yes, Sir.

(b) The increase registered in the raw material spot prices (FOB) of the main steel making raw materials from January, 2007 to December, 2007 is given in the table below along with the percentage increase during the said period:—

Raw Material Spot Prices (FOB)

Period	NMDC (LTA) Price*	India Spot (Export) Iron Ore 63.5% Fe	Australian Spot hard Coking Coal	China met Coke 12.5% Ash	Shredded Scrap
	(In Rs./tonne)	(In \$/tonne)	(In \$/tonne)	(In \$/tonne)	(In \$/tonne)
April, 2007	1209	70.0	107.0	195.0	307
March, 2008	1783	150.0	350.0	525.0	462
%age Increase	60%	114%	227%	169%	50.5%

*Bailadila Fines (64.5/64% Fe less than 10 mm).

Pithead price exclusive of freight and taxes.

(c) and (d) The retail price of the steel items as prevailing in Mumbai retail market below in the Table with landed cost of major items of imports. The comparison indicates that the retail prices were lower than the landed cost of these items as on 15th April, 2008.

Description	Bars	HR Coils	CR Coils
CIS-FOB Price in \$/T	930	1000	1100
Landed cost at Mumbai Rs./tonne	49,606	53,029	57,921
Retail Price at Mumbai Rs./T	47,700	48,450	52,000
Difference Rs./T	1,906	4,579	5,921

The retail prices are inclusive of taxes, duties and freight.

SOURCE : **Metal Bulletin & JPC**

(e) The steel sector in the depending upon the market conditions. Therefore, Government does not decide the selling price of steel. However, with a view to manage the rising inflation in the country, the Government has held extensive discussions with major steel producers as well as secondary. Steel producers during first week of April'08. As a result of these deliberations country is deregulated and therefore the prices are determined by the steel producers, the steel producers, sharing the concern of the Government towards rising inflationary trend in the country, voluntarily reduced the price of different long products, which includes bars, rods and structurals, used by even the common man for housing by amount ranging Rs. 4000 and 5000 per tonne.