

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO. 1436
FOR ANSWER ON 19/12/2022

INCREASE IN PRICES OF STEEL

1436 SHRI RAGHAV CHADHA:

Will the Minister of STEEL be pleased to state:

- (a) the number of times when steel prices were increased by Public Sector Undertaking (PSU) plants in the country during the past three years and by how much;
- (b) the steps taken by Government to protect steel consuming industries from facing loss and closure;
- (c) the steps taken by Government to protect cycle manufacturing industry from the ill effects of inflating steel prices; and
- (d) the details of steps taken and funds allocated by Government for development of the National Institute of Secondary Steel Technology (NISST) in Fatehgarh Sahib District of Punjab?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL

(SHRI FAGGAN SINGH KULASTE)

(a) Steel is a deregulated sector and Government acts as a facilitator by creating enabling environment by providing policy support and guidance to steel sector. Prices are a function of demand and supply, global market conditions, other factors such as trends in the price of raw materials, logistic costs, power, and fuel cost, etc. The decision regarding steel prices is taken by the individual company based on the market dynamics.

(b) & (c): Steel is consumed by a wide gamut of industries including cycle manufacturing industries. Government has taken various short-term and long-term measures towards making steel and related raw materials available at reasonable prices to consumer and manufacturing industries in the recent period, which include:-

i. (a) Calibration of import and export duties on crucial raw materials & intermediates, including coking coal, iron & steel, vide Customs Notification dated 21.05.2022.

(b) Notification of withdrawal of the said notification vide Customs Notification dated 18.11.2022 in view of the prevailing situation as well as the global availability & prices of steel.

ii. Notification of Production Linked Incentive (PLI) Scheme for Specialty Steel with an outlay of ₹ 6322 Crore which will add downstream capacity to produce 25 grades/categories used by steel consuming industries.

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- iii. Reduction of Basic Customs Duty uniformly to 7.5% on Semis, Flat and Long products of non-alloy, alloy, and stainless steels vide Union Budget 2021-22.
 - iv. Issuance of Steel Quality Control Orders to stop manufacturing and import of non-standardized steel.

 - v. Exemption of Basic Customs Duty (BCD) on steel scrap upto 31.03.2023. Similarly, the Basic Customs Duty (BCD) on raw materials for use in manufacture of CRGO steel has been reduced to NIL, up to 31.03.2023.

 - vi. Notification of Steel Scrap Recycling Policy to enhance the availability of domestically generated scrap.
- (d) National Institute of Secondary Steel Technology (NISST) receives an annual grant of Rs 0.50 Crore from the Ferrous Scrap Development Fund (FSDF) under the Ministry of Shipping. NISST laboratories are NABL accredited and BIS certified to cater to the testing needs of the industry.
