

GOVERNMENT OF INDIA  
MINISTRY OF STEEL  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1280**  
**FOR ANSWER ON 13/02/2023**

**STEEP RISE IN STEEL PRICE**

1280. SHRI P. WILSON:

Will the Minister of STEEL be pleased to state:

- (a) the reasons for steep rise in price of steel across the country and steps taken by Government to combat the same;
- (b) whether Government proposes to subsidize the taxes imposed on steel and steel products to bring down the prices for household consumption;
- (c) whether Government has any proposal of providing necessary household items by way of Public Distribution Channels at subsidized rates; and
- (d) if so, details thereof, if not, reasons therefor?

**ANSWER**

THE MINISTER OF STATE IN THE  
MINISTRY OF STEEL

(SHRI FAGGAN SINGH KULASTE)

(a)&(b): Steel is a deregulated sector where prices are a function of condition of domestic demand and supply, global market conditions, trends in price of raw materials, logistic cost & power and fuel cost etc. The following policy measures were taken by the Government to contain the rise in prices of steel and increase the domestic availability in recent times:-

- (i) Calibration of import and export duties on crucial raw materials & intermediates, including coking coal, iron & steel, vide Customs Notification dated 21.05.2022, whereby export duty was levied on export of iron ore, pellets and several steel products and import duty was waived off for raw materials like coking coal and Ferro-Nickel.
- (ii) 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 & moderation in prices of steel.
- (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) Exemption of Basic Customs Duty (BCD) on CRGO raw materials, steel scrap and Nickel cathode upto 31.03.2024.

Consequent to policy measures taken by the Government, the average prices of key steel items have declined between Apr'22 and Jan'23, the details of which are given as follows:-

<b>Item of Steel</b>	<b>April, 2022</b>	<b>January, 2023</b>
Pig Iron	61597	49172
Pencil Ingots	57970	48966
Wire Rods 8 mm	65949	55479
Rounds 12 mm	66674	57731
TMT 10 mm	70265	58536
Plates 10 mm	76225	57769
H. R. Coils 2.00 mm	77949	58608
C. R. Coils 0.63 mm	86335	65042
G. P. Sheets 0.63 mm	91617	68864
Melting Scrap HMS-II	45449	42167
Sponge Iron (Coal Based)	41379	35631
Source: Joint Plant Committee(JPC), Price in ₹ per Ton excluding GST		

(c)&(d): The Public Distribution System (PDS) is an important part of Government's policy for management of food economy in the country which is supplemental in nature and not intended to make available the entire requirement of any of the commodities distributed under it to a household or a section of the society. Presently, under the Public Distribution System (PDS), the commodities namely wheat, rice, sugar and kerosene are being allocated to the States/UTs for distribution. Some States/Union Territories also distribute additional items of mass consumption through the PDS outlets such as pulses, edible oils, iodized salts, spices etc.

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