

**LOK SABHA**  
**UNSTARRED QUESTION NO.4239**  
**FOR ANSWER ON 12/12/2016**

**STEEL PRODUCTION COST**

4239. PROF. PREM SINGH CHANDUMAJRA:

Will the Minister of STEEL be pleased to state:

- (a) whether the Steel industry is facing acute financial crises due to rise in the prices of coal in the country during the last one year;
- (b) if so, the reaction of the Government therero;
- (c) whether the prices of other products used in the production of steel in addition to the prices of coal have also gone up; and
- (d) if so, the details thereof ?

**ANSWER**

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a) Indian Steel Industry depends heavily on imported coking coal due to non availability of sufficient quantity of required quality of coking coal in the country. Recently, the international price of coking coal has gone up sharply and is adversely affecting the economics of the industry.

(b)to(d): Steel is a deregulated sector and the prices of finished products are based on the costs of the raw material used in the production of steel as well as market competition. To improve domestic supply of coking coal, the Ministry of Coal has also decided to conduct auction of coking coal linkages.

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