

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**LOK SABHA**  
**UNSTARRED QUESTION NO.608**  
FOR ANSWER ON 20/07/2022

**CARTELIZATION BY CREATING ARTIFICIAL SCARCITY**

608. SHRI KANUMURU RAGHU RAMA KRISHNA RAJU:

Will the Minister of STEEL be pleased to state:

- (a) whether the management of various Steel Plants in the country is trying to resort to cartelization by creating artificial scarcity in a bid to reduce production;  
(b) if so, the details thereof; and  
(c) the corrective steps being taken to stop such cartelization by the companies and increase the production in future, steel plant wise?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI FAGGAN SINGH KULASTE)

(a)to(c): Steel is a deregulated sector where prices are a function of demand and supply, global market conditions, trends in price of raw materials, logistics cost, power and fuel cost etc. Commercial decisions like pricing are taken by the steel companies on their own keeping in view the market dynamics. The 901 steel producing units in the country produced about 120 MT of crude steel and different grades of steel in 2021-22. The production of crude steel and finished steel have been increasing over the years and there has been no scarcity. A decrease in production of steel was seen during the FY 2020-21 mainly due to covid-19 pandemic induced disruptions. Details of production of crude steel and finished steel for last few years are given as follows:

Year	Production (in Million Ton)	
	Crude Steel	Finished Steel
2017-18	103.13	95.01
2018-19	110.92	101.29
2019-20	109.14	102.62
2020-21	103.54	96.20
2021-22	120.29	113.60

Source: Joint Plant Committee(JPC)

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