

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.320
FOR ANSWER ON 03/02/2021

INCREASE IN PRICES OF STEEL

320. SHRI MAHESH PODDAR:

Will the Minister of Steel be pleased to state:

- (a) whether Government has taken cognizance of the fact that the prices of iron and steel have increased exponentially;
- (b) if so, the initiative being taken by Government to bring it under control;
- (c) whether it is a fact that increasing prices of iron ore is not solely responsible for the steep increase in iron and steel prices;
- (d) the steps taken by Government to increase the availability of iron ores; and
- (e) whether Government would consider exempting imports according to the demands of enterprise for the usage of steel in the country and to simplify the rules related to it?

ANSWER

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

(a)&(b): The Government has taken steps to ramp up production of iron ore and steel to increase their domestic availability to bridge the demand-supply mismatch leading to increase in prices of iron and steel in recent months.

(c) In a de-regulated, open market scenario, the domestic steel price is determined by market forces of demand and supply, trends in prices of raw materials and is also influenced by global conditions. Various factors contributing to increase in prices inter alia include increase in price of iron ore following its reduced availability with the production of iron ore in current FY being only 112 MT up to November, 2020 as compared to 152 MT during CPLY mainly due to non-operationalization of 13 working mining leases in Odisha, post their auction in March, 2020.

(d)&(e): Measures taken by the Government to increase availability of iron ore inter alia include Mining and Mineral Policy reforms to enhance production/availability of iron ore, ramping up production and maximum capacity utilisation by government mining companies, grant of permission to SAIL to sell 25% fresh fines and 70 MT dumps and tailings, accelerating auction of iron-ore fines by SAIL and early operationalisation of forfeited working mines of Odisha by the State and Central PSUs etc.
