

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1756
ANSWERED ON:29.11.2002
CARTEL FORMATION BY CEMENT PRODUCERS
JAI PRAKASH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a): whether the Government are aware that prices of cement are increasing continuously due to Cartel formation by cement producers in the country;
- (b): if so, whether danger of acquisition of cement companies by European companies is increasing due to globalisation;
- (c): if so, the details thereof; and
- (d): the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a): Cement is fully delicensed and decontrolled commodity and its prices are determined by the market forces of demand and supply. Distance from the production centres also influence the prices in different consumption centres. Production of cement has been continuously rising since 2000-01. It registered an increase of 9.52% in the year 2001-02 over the production level achieved in the year 2000-01 as it rose from 97.61 million tonnes in 2000-01 to 106.90 million tonnes in 2001-02. This trend is continuing in the current year also as the production in the first seven month has registered an increase of 9.33% over the production of cement in the corresponding period in the previous year. It has risen from 60.45 million tonnes to 66.09 million tonnes. Prices of cement have not shown an increasing trend for more than one year as shown in the statement annexed because of increase in production. These trends do not suggest formation of cartel by cement producers.

(b) to (d): Only following two cases of acquisition by European companies have been reported so far.

Foreign Co. Indian Co. Capacity (Mn.T) Date

Lafarge TISCO 2.25 Nov. 1999
Raymond 2.20 Jan. 2001
Italcementi Zuari (50-50) 2.20 Apr. 2000
Sri Vishnu 1.20 Jan. 2002

However, their share in the production of cement is negligible. Further in the present liberalised world trade regime, the market forces alone determine quantum of investment to be made by the cement companies in the companies of their choice.

Annexure referred to in reply to part (a) of Lok Sabha Unstarred Question No.1756 for answer on 29th November, 2002 regarding Cartel formation by cement producers.

Region/Centre Apr-01 May-01 June-01 Jul-01 Aug-01 Sep-01 Oct-01 Nov-01 Dec-01 Jan-02 Feb-02 Mar-02

Northern Region

Delhi	147	140	131	139	139	143	139	139	138	131	130	122
Karnal	151	149	142	147	144	143	142	143	141	138	137	131
Chandigarh	159	161	154	151	157	154	153	152	152	152	147	147
Jaipur	145	139	123	128	126	126	133	139	138	125	124	119
Rohtak	148	145	133	140	136	139	133	134	136	129	128	124
Bhatinda	159	160	152	144	154	151	151	150	150	150	143	143
Ludhiana	163	166	160	151	158	158	158	157	157	157	149	149
Jammu	195	193	192	191	191	191	191	191	191	188	187	186
Simla	168	168	164	166	167	167	167	167	167	161	164	166

Eastern Region

Calcutta 155 151 140 147 145 143 136 125 124 138 132 128
Patna 148 149 146 153 141 136 132 130 127 133 128 126
Bhubaneswar 153 150 142 135 135 128 123 125 129 130 133 127
Gauwhati 183 183 183 183 183 183 182 175 172 172 172 172
Muzaffarpur 150 151 148 154 144 141 138 137 131 134 134 130

Western Region

Mumbai 179 174 175 178 174 171 163 163 170 176 162 159
Ahmedabad 153 154 154 155 155 145 138 142 141 140 137 134
Nagpur 152 148 142 145 144 130 137 128 129 142 131 124
Pune 164 160 147 155 153 131 139 136 139 152 140 124
Rajkot 153 154 154 155 155 145 138 142 141 140 137 134
Baroda 153 154 154 155 155 145 139 144 141 140 137 134
Surat 153 154 154 155 155 145 139 144 141 140 137 134

Southern Region

Chennai 173 170 159 164 147 136 163 169 174 179 173 164
Trivandrum 185 186 183 185 162 158 175 180 184 184 184 174
Bangalore 166 164 162 165 159 140 140 157 164 170 165 148
Hyderabad 143 144 151 155 140 120 136 147 149 149 138 134
Calicut 180 181 181 185 169 161 179 185 185 183 180 174
Visakhapatnam 151 149 156 160 144 130 144 143 149 154 146 139
Goa 154 153 153 146 142 129 128 146 153 153 154 143

Central Region

Lucknow 151 151 145 145 141 138 139 130 131 130 127 132
Meerut 147 147 141 141 140 138 138 133 134 133 133 133
Faizabad 149 149 142 143 135 129 134 121 119 123 123 125
Bareilly 147 147 141 142 137 133 134 128 130 128 129 126
Bhopal 149 141 136 137 134 127 117 119 123 124 124 122

Region/Centre Apr-02 May-02 Jun-02 Jul-02 Aug-02 Sep-02 Oct-02

Northern Region

Delhi 131 136 131 131 135 130 130
Karnal 137 140 137 137 141 135 136
Chandigarh 143 145 143 140 136 140 142
Jaipur 120 132 120 118 120 114 119
Rohtak 129 132 128 129 134 124 125
Bhatinda 142 141 142 137 136 133 139
Ludhiana 147 150 146 143 140 139 144
Jammu 186 183 178 177 177 177 181
Simla 165 162 158 156 153 152 153

Eastern Region

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Patna 129 138 137 140 140 139 137
Bhubaneswar 121 137 138 148 152 149 143
Gauwhati 172 172 172 172 172 172 172

Muzaffarpur 131 137 138 143 143 141 139

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Rajkot 136 138 141 137 137 129 127
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Bhopal 119 123 124 127 128 120 114