

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:3816

ANSWERED ON:22.08.2005

IMPACT OF INCREASE IN PRICES OF STEEL

Azmi Shri Ilyas;Khaire Shri Chandrakant Bhaurao;Murmu Shri Hemlal

Will the Minister of STEEL be pleased to state:

- (a) whether the increase in the prices of steel in the country has adversely affected the availability of raw materials;
- (b) if so, the details thereof alongwith the steps to check rising steel prices;
- (c) the complete details of the production of steel materials and sale of scrap by every ancillary steel company under the control of the Steel Authority of India Limited, especially Bokaro Ispat Sanyantra during the last three years and in the current year, year-wise; and
- (d) the profit earned by every ancillary company from production and sale of various steel materials and scrap during the said period?

Answer

MINISTER OF CHEMICALS & FERTILISERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a)&(b): The availability of raw materials depends on a wide range of factors like the reserves and capacity in the concerned sector, local constraints faced as also the demand for the same. In a liberalised environment prices are determined by the interplay of market forces and in the current scenario rising demand for steel has primarily led to rise in prices. Hence rising steel prices cannot be directly attributed to any reported effect on availability of raw materials. Nonetheless the Government has taken various steps to stabilise the prices of steel in the domestic market. The steps taken by the Government inter-alia include considerable reduction in import duties on steel as well as steel making inputs, reduction in DEPB rates on steel items and fixation of value caps for all items of iron and steel and ferro-alloys.

(c) The details are given in the tables at Annexure-I

(d) The details are given in the table at Annexure-II

Annexure-I

Plant-wise production of Saleable Steel by SAIL and IISCO (Qty: in `000tonnes)

Plant 2002-03 2003-04 2004-05 2005-06 (April-June 2005)

BSP	3616	4091	3935	1027
DSP	1585	1612	1635	382
RSP	1527	1575	1556	332
BSL	3358	3450	3524	932
ASP	99	113	128	29
SSP	83	85	149	23
VISL	84	100	102	31
SAIL	10352	11026	11030	2757#
IISCO	288	257	287	56

Rounded off

Plant wise sale of scrap by SAIL and IISCO (Value: Rs. in crore; Qty: in `000tonnes)

Plant 2002-03 2003-04 2004-05 2005-06 (April-June 2005)
Qty. Value Qty. Value Qty. Value Qty. Value

BSP	349.78	307.86	356.79	425.21	357.97	590.40	30.17	82.96
DSP	174.33	130.57	114.24	122.06	90.48	116.78	11.52	12.70
RSP	122.28	101.35	78.31	98.16	27.48	59.69	5.93	13.96
BSL	154.77	199.62	128.67	199.21	96.74	221.40	14.82	38.24
ASP	Nil	Nil	Nil	Nil	-	-	-	-
SSP	1.28	2.60	3.41	10.67	3.21	13.73	0.89	3.63
VISL	44.23	31.09	32.03	31.13	20.79	31.38	3.61	5.92
IISCO	89.99	56.61	78.90	60.52	61.06	80.25	10.02	17.28

Annexure-II

Plant-wise profit/loss of SAIL and IISCO (Rs. In crore)

Plant 2002-03 2003-04 2004-05 2005-06
(April-June 2005)

BSP	735	1932	4042	788
DSP	(-) 247	81	784	92
RSP	(-) 593	(-) 109	1045	103
BSL	311	1120	3290	617
ASP	(-) 180	(-) 172	(-) 42	(-) 13
SSP	(-) 119	2	3	0.2
VISL	(-) 136	(-) 82	(-) 24	8
Others	(-) 87	(-) 144	267	106
SAIL (PBT)	(-) 316	2628	9365	1701
TAX	(-) 12	116	2548	577
SAIL (PAT)	(-) 304	2512	6817	1124
IISCO (PAT)	(-) 182	27	46.59	2.64

PBT : Profit Before Tax;
PAT : Profit After Tax