

Government may cut cement prices further: Chidambaram

The government is expected to further cut cement prices to tame inflation, Finance Minister P. Chidambaram said Thursday.

'I think that there is scope for significant reduction in cement prices,' Chidambaram told reporters after a cabinet meeting.

The statement comes a day after cement companies agreed to cut Rs.3 and Rs.7.50 per bag of 50 kg.

In the past two months, the government has taken various fiscal measures such as cutting import duties on edible oils and banning export of cement and non-basmati rice to contain inflation, which has touched a 42-month high of 7.6 percent.

However, Chidambaram ruled out any reduction in import duties on crude oil, claiming the measure would not have any impact on retail prices of petroleum products.

Oil prices have reached \$125 a barrel, causing companies to suffer major losses. The government has been partly compensating oil firms like Indian Oil Corporation, HPCL and BPCL by giving them bonds.

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