

Steel firms agree to cut prices and exports

India's steel makers Thursday agreed to cut prices of steel pipes and tubes by 10 percent to help fight inflation, and to cut exports of hot-rolled coil to increase local supplies.

'Steel pipe and tube manufacturers have agreed to reduce prices by 10 percent to curb inflation,' Steel Secretary R.S. Pandey said here after a meeting with the representatives of JSW Steel, Steel Authority of India Ltd (SAIL) and other companies.

'Exports are declining but they have to decline further,' Pandey said.

"All these measures will help lower steel exports by 30 percent to 40 percent. Availability of steel will go up by five million tonnes this year due to fall in exports and capacity additions by steel companies," JSW Steel managing director Sajjan Jindal said.

The move comes after the central government imposed duties on overseas sales of iron ore and steel bars and rods in an effort to curb prices.

SAIL chairman S.K. Roongta said: "We were holding the prices as per the commitment with government and maintained it for the domestic market during the month of June 2008.'

"The primary steel producers are deeply distressed by reports of higher prices being charged. Only five percent of the products are marketed through retailers. While we have been supplying the products at April price level, price distortion have taken place at the retail points," he added.

"The measure was taken to help contain inflation that's at a 13-year high at 11.42 percent," Jindal said.

"The steel makers, who agreed to hold prices for three months after lowering them by 10 percent May 7, may extend it for next few months. The companies will also publish the maximum retail prices of all products to ensure consumers are not overcharged," he added.

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