

Cheaper imports force steel producers to cut prices

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Major steel producers have reduced prices of the finished product by three-four per cent for the month of January as metal prices across the world continued a downward trend. Domestic producers have announced price reduction of ₹1,000 a tonne to ₹1,500 a tonne for the month.

The move is aimed at countering cheaper imports from China and Russia and to arrest demand slump in the domestic market, industry sources said. While some producers have announced a cut in prices, others are offering discounts in different regions.

Steel Authority of India (SAIL), Rashtriya Ispat Nigam Ltd (RINL), and Jindal Steel and Power Limited have announced a reduction of ₹1,000 to ₹1,500 a tonne for long products, used in construction.

Rebar producers have announced a price cut between ₹800 and ₹1,500 a tonne, industry sources revealed.

RINL and SAIL are selling wire rod products at ₹40,500 and ₹39,000 a tonne, a reduction of three-four per cent over December. Wire rod products are mainly used in construction.

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Tata Steel and JSW Steel have not yet announced a cut in prices but are offering discounts. They cannot afford to stay away from either reducing prices or offering discounts, analysts

said. Nilachal Ispat has announced a discount of ₹500 a tonne. Russian material is available at \$470 a tonne on a CIF (cost, insurance and freight) basis, while Chinese material is imported at \$475 a tonne. Domestic steel consumption showed marginal growth of 1.3 per cent during April-November, at 48.62 million tonnes, compared to 48 million tonnes in the corresponding period last year.