

# Domestic steelmakers may raise prices on high coking coal cost

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**New Delhi, Dec 28:** Domestic steelmakers may jack up prices by up to ₹4,000 per tonne in January for both long and flat products, used for construction and automotive sector respectively, to partially offset the inflated coking coal cost push.

Though it softened a little to around \$270 a tonne now from its peak of over \$300 a tonne in November, coking coal is still hurting the Indian steelmakers hard since they largely depend on imports to meet their demand.

Steelmakers have been raising prices to counter the cost push with the latest came in as early as the middle of December. They raised prices in the beginning of the month as well.

While they hiked the price by around ₹1,200 per tonne for long products in the beginning of the month, towards the middle they made them costlier by an additional ₹500 per tonne.

Flat steel producers also raised the price by about ₹3,000 per tonne in December. "We need to hike prices by ₹6,000 a tonne in January if we were to make up for the entire cost push arising out of dearer coking coal.

"However, we don't intend to pass the entire burden to the consumers. We



might raise the price by ₹4,000 a tonne," a long product manufacturer said.

The increase might be effected in two tranches—one in the beginning of the month and then again around the middle of the month, if the market absorbs the first hike, he added.

One flat steel producer also flagged the need for raising the prices due to higher input costs. However, he said that the hike would be in the range of ₹3,000 a tonne.

It generally requires 0.9 tonne of coking coal to produce one tonne of steel. In-

dia imports coking coal mainly from Australia and South Africa.

Though India has over 300 billion tonnes of coal reserves, coking coal constitute just about 10% of the total kitty and a large chunk of that remains unexplored till date.

Imports of coking coal in the country have been on the rise for the last few years.

While India imported 19.5 MT of coking coal in the 2010-11 fiscal, the imports went up to 43.5 MT in the last fiscal, up 123%.

There has been a 2.5% import duty on coking coal.