
Pakistan steel raises prices following international hikes

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Daily Times reported that following the trend in the international steel prices, Pakistan Steel has increased prices on some of its products by PKR 500 to PKR 1500.

According to the sources, on the backdrop of increase of steel prices in international market, PS has increased prices of hot rolled coils, cold rolled coils, galvanized steel and billets.

PS increased the ex-price of hot rolled products by PKR 1500 per tonne, the price of cold rolled products by PKR 500 per tonne and galvanized steel by PKR 500 per tonne. The PS increased billet's price by PKR 500 per tonne. With these increases, the price of hot rolled coil has reached PKR 45,500 per tonne; the price of cold rolled coil now stands at PKR 41,900 per tonne; galvanized steel will be sold at PKR 64,800 per tonne and billets will be available for PKR 35,500 per tonne respectively.

Sources said that it was difficult for PS to continue sale with the old prices, as the input cost after increase in international prices had increased manifold. They said that "the price of hot rolled and cold rolled in international market has gone to USD 450 USD 460 as compared with USD 380 USD 390 a month ago." They added that this skyrocketing hike in prices of basic inputs forced the PS to raise prices of its products.

An industry official said that the prices have been raised because of the immediate surge of raw material prices in the international market. The cost of production has gone up by PKR 2000 per tones to PKR 4000 per tonne as compared with previous month.

Sources said it had become necessary for the PS to increase its prices in order to ensure smooth supply of products to the markets. Consumption of iron and steel products in Pakistan has surged to 5.5 million tonnes per annum as compared with four million tonnes 3 years ago. PS meets only 18% to 20% of domestic requirements of iron and steel products, which used to be 30% a few years back. They said that sales of the country's largest steel producer have been badly affected due to the fluctuation in international steel prices trend, as PSMC has made contracts of raw materials at higher price and its products are now more costly than the international market.

However market sources said that in a recent meeting with customs officials an ITP of around USD 80 to USD 90 was proposed for the 3 months July to September that could also cause to increase the prices.

Dealers said that "This further increase in the steel prices will ultimately increase the cost of doing business that is already much higher in the local market."

(Sourced from Daily Times)

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