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## Indian government plans steel price band - Report

*Sunday, 20 Jul, 2008*

The Economic Times, quoting unnamed government sources, reported that Indian government is planning a price band for steel products in order check rising inflation. The report added that the proposal is likely to be discussed at a committee of secretaries meeting next week.

The paper quoted unnamed government sources as saying that “The rise in steel price and its impact on inflation is a cause of major worry for the government. There are expectations that steel prices may rise once again next month after the self imposed price moratorium of steel companies comes to end.”

The report added that the government may ask companies to hold prices for a few months more and that the system of price banding is being considered for the next stage to reduce price volatility in a rising steel market. It added that the CoS meeting would be followed up with a meeting of ministry officials with steel companies.

Steel and steel products contribute to 21% of inflation.

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