

Steel companies to increase quarterly auto contract prices

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Steel companies are set to increase their quarterly automobile contract prices after a downward revision in the July-September period.

Tata Steel, JSW Steel, ArcelorMittal Nippon Steel India (AM/NS India) and others are settling contracts with original equipment manufacturers for October to December. Some companies

have finalised contracts.

Quarterly contracts for October to December are due for an upward revision for the industrial and automobile sectors, said Jayant Acharya, joint managing director and chief executive officer, JSW Steel. "Some have been closed and the rest are in the process of closure."

Ranjan Dhar, chief marketing officer of AM/NS India, said contract prices for the automotive segment will increase on

the basis of an agreed price settlement mechanism. "Last quarter, there was a big drop," he pointed out.

Sources said Tata Steel contracts were getting settled and there would be an increase in the third quarter.

Tata Steel, JSW Steel, AM/NS India supply some 90 per cent of the steel automobile companies need. Typically, contract prices are based on the price movements of the previous quarter.