

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:331
ANSWERED ON:25.02.2000
PROCUREMENT OF MINERALS BY MMTC FOR EXPORT
ANANTA NAYAK

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) THE QUANTUM OF IRON ORE, BAUXITE, MANGANESE AND OTHER MINERALS PROCURED BY THE MINERALS AND METALS TRADING CORPORATION (MMTC) FROM THE BARBIL-BARAJAMDA AND GANDHAMARDAN SECTOR IN ORISSA DURING THE LAST THREE YEARS FOR EXPORT PURPOSE; (b) WHETHER THERE IS A SHARP DECLINE IN THE EXPORT OF THESE MINERALS, PARTICULARLY PROCUREMENT HAS DECLINED FROM ORISSA MINES; (c) IF SO, THE REASONS THEREFORE; AND (d) THE STEPS TAKEN TO INCREASE THE PROCUREMENT OF THESE MINERALS FROM BANSPANI-BARBIL-BARAJAMDA AND GANDHAMARDAN SECTORS?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(A) SIR, ONLY IRON ORE IS PROCURED BY MMTC FROM BARBIL- BARAJAMDA AND GANDHAMARDAN SECTOR IN ORISSA FOR EXPORT PURPOSE. THE QUANTUM OF IRON ORE PROCURED DURING THE LAST THREE YEARS FOR EXPORTS FROM THIS SECTOR IS AS FOLLOWS:-

(QTY. IN LAKH TONNES)

MINING SECTOR	1997-98	1998-99	1999-2000
	(ESTIMATED)		
BARBIL	6.00	5.72	7.50
BARAJAMDA			
GANDHAMARDAN	0.09	0.10	0.40
DAITARI	NIL	NIL	0.60
TOTAL	6.09	5.82	8.50

(B) & (C) THE EXPORTS FROM PARADEEP PORT DURING THE LAST THREE YEARS WHICH IS MAINLY FROM ORISSA AND BIHAR AS CONSOLIDATED PARCELS ARE AS FOLLOWS:-

YEAR	FIGURE IN LAKH TONS
1997-98	9.86
1998-99	6.29
1999 - 2000 (ESTIMATED)	9.00

THE DECLINE IN EXPORT IS DUE TO LESSER INTAKE BY IMPORTING COUNTRIES OWNING TO RECESSION IN THE STEEL INDUSTRY WORLD OVER.

(D) MMTC HAS TAKEN FOLLOWING STEPS TO INCREASE FROM THIS SECTOR:-

1. TO SUSTAIN IRON ORE EXPORTS, MMTC HAS CONCLUDED FIVE YEAR CONTRACTS WITH JAPANESE STEEL POSCO AND SOUTH KOREA.
2. DUE TO SHIFT IN TYPE OF IRON ORE AVAILABLE FOR EXPORTS ON ACCOUNT OF DOMESTIC DEMAND MARKETS HAVE BEEN DEVELOPED E.G. LOW/MEDIUM GRADE LUMPS AND FINES TO CHINA AND HIGH D AGGREGATES AND IRON ORE CONCENTRATES TO THE MIDDLE EAST ETC.
3. MMTC HAS ALSO LOCATED NEW MARKETS FOR IRON ORE FINES FOR PIPE COATING APPLICATIONS WHERE UNIT VALUE REALIZATION IS MORE.
4. ENLARGING PRODUCT RANGE TO SUCH CUSTOMIZED DEMAND FOR SIZED ORE BY SETTING UP CRUSHING SCREENING PLANTS.
5. IMPROVING MARKET SHARE IN POTENTIAL AND GROWING MARKETS SUCH AS CHINA.
6. ENHANCING COMPETITIVENESS BY COST REDUCTION AND THROUGH GREATER EMPHASIS ON QUALITY.
7. SEEKING HIGHER QUANTITATIVE CEILING FOR EXPORTS OF HIGH GRADE IRON ORE.
8. USING LEVERAGE OF HIGH GRADE ORE TO PROMOTE AND DEVELOP EXPORTS OF LOW AND MEDIUM GRADE ORE.