

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:3706  
ANSWERED ON:18.12.2006  
LEVEL PLAYING FIELD FOR STEEL MANUFACTURERS  
Saradgi Shri Iqbal Ahmed

**Will the Minister of STEEL be pleased to state:**

- (a) Whether Committee of Secretaries appointed by the Prime Minister to look into iron ore exports and to consider a level playing field for integrated steel manufacturers in raw material linkage held its meeting in the month of October, 2006;
- (b) If so, the details thereof ;
- (c) Whether the Committee has submitted its report ;
- (d) If so, its main recommendations and the decision taken thereon; and
- (e) If not, the time by which the final decision thereon is likely to be taken ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS)

(a)&(b): Yes, Sir. A Committee of Secretaries, comprising of Member Secretary, Planning Commission; Secretary, Steel; Secretary, Mines; Secretary, Department of Industrial Policy & Promotion; Secretary, Economic Affairs; Secretary, Department of Commerce was set up by the order of Cabinet Secretariat on 14/08/2006. The Committee held four meetings on 25/08/2006, 21/09/2006, 12/10/2006 and 10/11/2006.

The Term of Reference of the Committee was:

Review the existing mineral exports policy in respect of iron ore for suggesting any policy change, which should also take into account the employment and investment concerns of the mining industry.

To examine the suggestion for restricting iron ore exports at the current levels and progressively phase out the exports by review of existing domestic demand and expected growth in it.

(c)to(e): Yes, Sir. A draft export policy with following features was considered:

- (1) Restrictions on iron ore export of 64% Fe and above (fines and lumps), at current level be maintained for the next three years through canalization. All existing LTAs to be reviewed at the time of renewal.
- (2) Review of the policy after three years.
- (3) Mandatory requirements on all captive and new steel capacities to beneficiate, sinter and pelletise subject to technical variations.
- (4) Incentivise, sintering, pelletisation and beneficiation of low grade iron ore.
- (5) Encourage extraction of low grade ore by both captive and non-captive miners through Mining Plan.
- (6) Constitution of a Group to study the demand and supply projections of steel and consequently of iron ore of various grade and types in India.

There was broad agreement in respect of item nos. (2) to (6) of the draft, but not on item no.

(1). In the last meeting held on 10.11.2006, it was decided that since it was not possible to reach a consensus on item no. (1), the same may be decided by government appropriately.

The issue is under consideration of the government.