

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

UNSTARRED QUESTION NO:168

ANSWERED ON:27.02.2007

EXPORT OF IRON ORE

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

- (a) whether the Government has signed an agreement with some foreign countries for the export of iron-ore;
- (b) if so, the details of the countries alongwith the conditions of such agreements;
- (c) whether these agreements are having negative effect on Indian industry; and
- (d) if so the propriety of these agreements and the reaction of the Government thereto?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) No, Sir. However, on expiry of the previous Long Term Agreements, M/s MMTC has signed Long-Term Agreements for export of iron ore with Japanese, South Korean and Chinese Steel Mills for a period of 5 years w.e.f. 1.4.2006.

(b) Annual quantity to be supplied to Japanese, Korean and Chinese Steel Mills is as follows:-

(Qty: Million Tonnes)  
Minimum Maximum

Japanese Steel Mills 3.47 6.75  
POSCO, South Korea 0.80 1.60  
Chinese Steel Mills 2.50 3.10

(c) No, Sir.

(d) The existing iron ore export policy regulates and promotes judicious use of iron ore for domestic purpose and export of surplus quantity. Production of iron ore is in excess of current domestic demand. Besides, the surplus iron ore fines produced during mining as well as sizing and calibrating lumpy ore has to be evacuated, failing which it would lead to curtailment of production resulting in unemployment predominantly in tribal areas, increased cost of production, reduction in economic activities and export earnings in addition to causing environmental hazards.