

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

UNSTARRED QUESTION NO:567

ANSWERED ON:20.11.2007

BAN ON EXPORT OF IRON ORE

Adsul Shri Anandrao Vithoba;Mehta Shri Bhubneshwar Prasad;Nayak Shri Ananta

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

- (a) whether there is any proposal to ban the export of iron ore;
- (b) if not, the reasons therefor;
- (c) the quantity of iron ore exported and foreign exchange earned therefrom during each of the last three years, country-wise;
- (d) the reasons for exporting high quality iron ore despite its heavy demand in the country;
- (e) the total requirement of iron ore in the country during each of the last three years including future target;
- (f) whether the Government proposes to reconsider the iron ore export policy to protect the interest of iron ore exporters and domestic users;
- (g) if so, the details thereof; and
- (h) if not, the steps taken/proposed to be taken by the Government in this regard?

Answer

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

(a)&(b) No, Sir. Production of iron ore is in excess of current domestic demand. The surplus iron ore fines, produced during mining as well as sizing and calibrating of lumpy ore is being evacuated through exports as there is less demand for it from the domestic steel industry.

(c) Statement indicating quantity of iron ore exported and foreign exchange earned therefrom during each of the last three years, country-wise is annexed.

(d) As per available information, India has sufficient resources of iron ore. As on 1.4.2005 these resources are estimated at 25.25 billion tonnes, consisting of 14.63 billion tonnes of Haematite and 10.619 billion tonnes of Magnetite, and they are continuing to increase. The production of iron ore in India far exceeds the demand of the domestic steel industries and surplus iron ore is exported.

(e) The demand of iron ore in the country during the last three years was as under:-

(Quantity in Million Tonnes)

Year Domestic Demand

2004-05 54.00

2005-06 (Prov.) 58.00

2006-07 (Prov.) N.A.

As per the National Steel Policy, 2005, the demand of iron ore in India by 2019-20 would be 190 million tonnes for meeting the steel production target of 110 million tonnes. Ministry of Steel undertook a study on the subject of 'Revisiting the strategic goals set in the National Steel Policy, 2005'. As per the study against the likely capacity build up of 104 million tonne (crude steel), iron ore requirement by 2011-12 works out to 158 million tonnes. Assuming the same mix of technology/ process-routes, against the likely capacity build up of 175 million tonne (crude steel) by 2019-20, iron ore requirement works out to 256 million tonnes.

(f)to(h) There is no proposal under consideration at present. The existing iron ore export policy regulates and promotes judicious use of iron ore for domestic purpose and export of surplus quantity.