

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:3018
ANSWERED ON:12.08.2010
MOUS FOR SETTING UP OF STEEL PLANTS
Danve Shri Raosaheb Patil

Will the Minister of STEEL be pleased to state:

- (a) the steel plant-wise Memorandum of Understandings signed by the Government with national, multinational companies for setting up of steel plants and mining during each of the last three years and the current year;
- (b) whether the Government and multi-national companies have by and large conformed to the MoUs;
- (c) if so, the details thereof alongwith the terms and conditions stipulated therein;
- (d) whether all the said companies have permission to export iron ore thereunder; and
- (e) if so, the percentage of iron-ore proposed to be processed in each of the units to be set up throughout the country by these companies, company-wise and location wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL(SHRI A. SAI PRATHAP)

(a)to(c): Government of India has not entered into any Memorandum of Understanding with steel investors, for setting up steel units in the country. However, some of the State Governemnts have entered into Memoranda of Understanding (MoUs) with various prospective steel investors in connection with setting up steel units in their respective States. The MoUs contain the intention of the respective Governments for extending assistance in land, mineral resources and other facilities. The details of MoUs signed alongwith the name of companies for setting up of iron and steel plants in mineral rich states Jharkhand, Orissa and Chhattisgarh during the last three years & current year and the present status of projects, state-wise and project-wise are Annexed, as per the record of information available in the Ministry of Steel.

(d) As per available information in the Ministry of Steel, M/s. POSCO India is allowed to export iron ore from Orissa as per the conditions of MoU.

As per the terms of MoU, POSCO may swap certain quantities (not exceeding 30% of the total requirement for the Paradeep Plant annually) of such iron ore which have high alumina content with equal quantity of low alumina content iron ore of better Fe content imported for blending, in order to produce better quality steel in the Paradeep Project and conserve energy. Any export of iron ore by way of swap will be allowed only after an equivalent quantity of ore has been imported for the plant. The extent of the above quantity of iron ore by way of replacement for equal quantity of import of higher grade iron ore, will be within the framework of the Export-Import Policy of the Government of India applicable from time to time. It is clarified that no export of iron ore will be allowed from the captive mine except by way of full replacement through import of equal quantity of high grade ore and within the limits mentioned above.

(e) Since the projects are at very preliminary stage, such details are not available.