

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:4300

ANSWERED ON:19.08.2010

INCREASE IN EXPORT DUTY ON IRON ORE

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Will the Minister of STEEL be pleased to state:

- (a) whether the Steel Ministry has proposed increase in export duty on iron ore to discourage export and lower the import duty on ore to zero, to ensure that there is adequate raw material available for the domestic industry;
- (b) if so, the details thereof;
- (c) whether such proposal may likely to affect the prospects of the domestic iron ore exporters; and
- (d) if so, the reaction of the Government thereto?

Answer

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

(a)to(d): Ministry of Steel is of the view that iron ore being a non-renewable natural resource should be conserved for long term utilization of domestic steel industry. The export of iron ore has consistently increased over the years, inspite of imposition of export duty on iron ore. During 2009-10, iron ore export from the country touched an all time high of 117.37 million tonne. Therefore, Ministry of Steel is of the view that appropriate export duty should be imposed on iron ore to effectively discourage its export from the country. Government of India has decided that conservation of iron ore resources of the country is of paramount importance and the same may be achieved by taking recourse to appropriate fiscal measures. Presently, an export duty of 5% is leviable on iron ore fines, whereas 15% export duty is leviable on other varieties of iron ore.