

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:524

ANSWERED ON:11.11.2010

LEVYING OF TAX ON EXPORT OF IRON ORE

Naik Dr. Sanjeev Ganesh;Patil Shri Sanjay Dina ;Sule Supriya

Will the Minister of STEEL be pleased to state:

- (a) whether the Steel Ministry has been monitoring the domestic availability of minerals;
- (b) if so, the details thereof;
- (c) whether the said Ministry has reiterated its demands to levy high 20% tax on export of iron ore to ensure availability of the key raw material for domestic steel companies;
- (d) if so, whether this move is likely to enable the Government to deal the revenue stream of companies;and
- (e) if so, the details thereof alongwith the reaction of the Government thereon?

Answer

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

(a)to(e): Ministry of Steel is concerned about the long term domestic availability of critical raw materials like iron and ore and coking coal for domestic steel industry. Iron Ore is a non-renewable natural resource and instead of exporting it, iron ore should be conserved in the country for long term utilization of the domestic steel industry. The Government has also 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% ad-valorem is levied on iron ore fines, while an export duty of 15% ad-valorem is levied on all other varieties of iron ore. However, Ministry of Steel feels that the present rates of duty have not succeeded in effectively discouraging export of iron ore from the country. Ministry of Steel has been regularly taking up the matter with the concerned authorities for imposition of an appropriate export duty on iron ore to effectively discourage its export.