

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2906

ANSWERED ON:14.03.2011

ADEQUATE AVAILABILITY OF RAW MATERIAL

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Will the Minister of STEEL be pleased to state:

- (a) whether the steel manufacturers are getting sufficient supply of raw material to meet the demand;
- (b) if so, the details thereof and steps taken by the Government for adequate supply of iron ore;
- (c) whether the short supply of iron ore due to export by the steel units and future trading; and
- (d) if so, the details thereof alongwith the difficulties being faced by the iron ore manufacturers?

Answer

THE MINISTER OF STATE FOR STEEL(SHRI BENI PRASAD VERMA) (INDEPENDENT CHARGE)

(a)to(d): Iron ore and coal (Coking and Non-coking) are two most important raw materials required for the steel making process. Sufficient quantity of iron ore is produced in the country to meet the requirement of the domestic steel industry. Out of 218.58 million tonne of iron ore produced in the country during 2009-10, about 92.2 million tonnes (Provisional)# was consumed by the domestic steel producers and 117.37 million tonnes was exported. As far as coking coal is concerned, while the indigenous supply was 16.48 million tonnes only, the balance requirement of coking coal was fulfilled by importing 23.47 million tonnes of coking coal from other countries##. However, with a view to conserve iron ore, which is a natural resource, the Government of India has increased the ad-valorem export duty on iron ore with effect from 1st March, 2011 to 20% on all sorts of iron ore (other than pellets).

Source- Ministry of Mines

Source- Website of Ministry of Coal, Government of India