

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:398
ANSWERED ON:30.07.2009
CAPTIVE IRON ORE MINES
Reddy Shri Anantha Venkatarami

Will the Minister of STEEL be pleased to state:

- (a) whether several steel plants in the country including those in the public sector do not have their own captive iron ore mines;
- (b) if so, the details thereof;
- (c) whether cost of production of steel is higher in these plants as compared to other plants which have captive iron ore mines;and
- (d) if so, the steps taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI VIRBHADRA SINGH)

(a)to(d): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERED TO IN REPLY TO PARTS (A) TO (D) OF THE LOK SABHA STARRED QUESTION NO. 398 TO BE ANSWERED ON 30.07.2009, TABLED BY SHRIA. VENKATA RAMI REDDY, MEMBER OF PARLIAMENT REGARDING CAPTIVE IRON ORE MINES

(a)&(b): As per the information available with the Ministry of Steel only Tata Steel Limited and Steel Authority of India Limited are the two major steel producers who meet their full requirement of iron ore from captive sources. All other major steel producers either partially meet their requirement from captive sources or obtain the entire requirement of iron ore from the market.

(c) Cost of production of steel is dependant upon several factors such as raw material, cost of transportation, technology, manpower, energy etc. However, iron ore being one of the major raw material inputs for iron and steel making, the primary steel producers having captive iron ore mines enjoy the relative benefit of lower cost of steel production.

(d) The Government has approved National Mineral Policy' 2008 which inter-alia provides for preference to value adders in the allocation of mineral concession. The Hoda Committee's recommendations as approved by the Government also make provision for preferential allocation of captive iron ore mines to steel capacities already in existence as on 1st July, 2006.