

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

STARRED QUESTION NO:97  
ANSWERED ON:09.07.2009  
INCREASE IN PRICES OF IRON ORE BY NMDC  
Ahir Shri Hansraj Gangaram

**Will the Minister of STEEL be pleased to state:**

- (a) whether the National Mineral Development Corporation (NMDC) has increased the prices of iron ore;
- (b) if so, the reasons therefor;
- (c) whether it has adversely affected the steel industries under the small scale sector;
- (d) if so, whether any complaints have been received regarding non-supply of the iron ore required by the steel plants even after the price hike by NMDC;
- (e) if so, the follow-up action taken in this regard; and
- (f) the steps taken by the Government for supply of iron ore to the iron ore based small scale plants in proportion to their requirement?

**Answer**

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (F) OF THE LOK SABHA STARRED QUESTION NO.97 TO BE ANSWERED ON 09/07/2009, TABLED BY SHRI HANSRAJ G. AHIR, MEMBER OF PARLIAMENT REGARDING INCREASE IN PRICES OF IRON ORE BY NMDC.

(a)&(b): No, Sir. On the other hand NMDC reduced long term prices of iron ore for its domestic long term customers by 25% w.e.f. 1.12.2008. The same price is being charged for 2009-10 also, on provisional basis, since the long-term prices for 2009-10 have not yet been finalized.

(c)to(e): Does not arise in view of (a) & (b) above.

(f) Iron ore is in decontrolled sector and the Government does not control either its prices or its allocation/ supply to individual steel companies. Beside NMDC, there are a number of iron ore producers in the country, both in the public sector as well as in private sector. Supply of iron ore to various steel units is dependent upon their individual tie-up with NMDC and other iron ore producers.