

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:756
ANSWERED ON:09.07.2009
INCREASE IN DEMAND OF IRON ORE
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Will the Minister of STEEL be pleased to state:

- (a) whether the reserves of the high quality iron ore is inadequate in the country;
- (b) if so, the steps being taken to meet the growing demand of such iron ore;
- (c) the estimated quantity of the iron ore being exported every year;
- (d) whether the Government proposes to impose a ban on the export of iron ore; and
- (e) if so, the details thereof alongwith the reasons therefor?

Answer

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

- (a) The total resources of high (+65% Fe) and medium grade (+62% Fe to 65% Fe) iron ore in the country are as follows:

(Unit: Million tonnes)

Grade	Total Resources as on 1.4.2005
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High Grade	1933
(+) 65% Fe	

(+) 62% to 65% Fe	6606
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(Source: Ministry of Mines)

The present production of iron ore in the country is much more than the present requirement of domestic steel industry and iron ore is being exported in large quantity from the country. However, National Council of Applied Economic Research (NCAER), New Delhi in a paper (2006) has concluded that the useful life of High & Medium Grade iron ore at the average consumption level (average of current & projected consumption levels) is only 19 years.

(b) While considering National Mineral Policy, 2008, the Group of Ministers (GoM) had decided that conservation of iron ore resources of the country is of paramount importance, however, the same may not be achieved by banning or capping the export of iron ore but by taking recourse to appropriate fiscal measures. Accordingly, export duty at different rates was imposed on iron ore from time to time. At present, the rates of duty on iron ore exports is following:

i) Iron ore fines (all sorts) - NIL

ii) Iron ore other than fines - 5% ad-valorem
(including Lumps & pellets)

The Government has also approved National Mineral Policy, 2008 which inter-alia provides for preference to value adders in the allocation of captive iron ore mines, which is expected to meet the demand of iron ore by domestic steel industries.

(c) The export of iron ore during last three years is given below:

(Figures in Million
Tonnes:-MT)

2006-07 2007-08 2008-09

93.79 104.27 105.86#

(# Provisional revised)
(Source: MMTC)

(d)&(e): No Sir.