

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:916
ANSWERED ON:19.03.2012
SCARCITY OF RAW MATERIAL
Ponnam Shri Prabhakar

Will the Minister of STEEL be pleased to state:

- (a) whether the scarcity of iron ore and high prices of coking coal are forcing steelmakers especially smaller ones, into debt restructuring;
- (b) if so, the details thereof; and
- (c) the steps being taken to ease the situation for the benefit of both the manufacturers as well as the consumers?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a) & (b): The production of iron ore in the country during 2010-11 (provisional) was about 208 million tonnes as against its domestic consumption of about 111 million tonnes and export of about 97.66 million tonnes. Therefore, overall, there is no scarcity of iron ore in the country. Besides, the prices of coking coal have fallen in the international market over the past few months.

The steel sector is a deregulated sector and the decisions regarding financing of steel projects are taken by individual entrepreneurs, based on availability of funds, resource mobilization, prevailing interest rates etc. Ministry of Steel has no direct role to play in the matter of financing of individual projects, including debt restructuring, if any.

(c) For improving availability of iron ore to the domestic iron and steel industry at affordable price, the Government has increased export duty on all grades of iron ore (except pellets) from 20% to 30% ad valorem with effect from 30.12.2011.