

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:835

ANSWERED ON:19.03.2012

EXPORT OF IRON ORE THROUGH MMTC

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether export of ores including iron ore is proposed to be channelized through Mines and Mineral Trading Corporation (MMTC);
- (b) if so, the reasons therefor;
- (c) whether the Government has formulated any specific scheme in this regard and if so, the details thereof;
- (d) the extent to which such move is likely to help the Government to curb the illegal mining in the country; and
- (e) the steps taken by the Government to ensure availability of ore and bring about balance between production and domestic demand?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) to (d) Under the extant Foreign Trade Policy, export of iron ore with Fe content 64% and above (except iron ore of Goa & Redi origin) is under the State Trading Regime through MMTC Limited. However, the feasibility of nodal agency operation, as an interim measure, to cover exports of most grades of iron-ore as an accounting procedure is under examination, to enforce legitimacy and tighter regulation of iron-ore exports and compliance with mining regulations. Procedures for end-to-end monitoring of mineral movement (from mining stage to end-use/export) and mandatory registration of and reporting by all stakeholders would help to establish the traceability of the ore thereby ensuring that it is sourced through legal mining operations.

(e) To ensure domestic availability of iron ore, Government has raised the ad-valorem export duty on iron ore lumps and fines to 30% and imposed differential railway freight on iron ore meant for export.