

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2070
ANSWERED ON:26.03.2012
SHORTAGE OF IRON ORE
Rani Killi Krupa;Sivasami Shri C.

Will the Minister of STEEL be pleased to state:

- (a) whether the reserves of the high quality of iron ore is inadequate in the country;
- (b) if so, the details thereof;
- (c) whether the Government proposes to exclusively reserve such iron ore mines for the use by the domestic steel industry;
- (d) if so, the details thereof alongwith the present status thereon and if not, the reasons therefor;
- (e) whether the domestic steel industry is facing the shortage of iron ore in general; and
- (f) if so, the steps being taken to meet the growing need of high quality iron ore in the domestic market?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): Out of the total iron ore resources as on 1.4.2010, of about 28.5 billion tonnes in the country, total resources of High Grade Iron ore (Fe content: +65%) are about 2.42 billion tonnes. Considering the growth of the iron and steel industry and planned steel capacities, the present resources of high grade iron ore in the country may not be sufficient to meet the long term requirement of domestic iron and steel industry.

(c)&(d) No, Madam. There is no proposal in the Ministry of Steel, at present, to exclusively reserve iron ore mines for use by the domestic steel industry. The mineral concessions for iron ore mines are granted by the State Governments with the prior approval of Central Government as per the provisions of the existing Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act) and Mineral Concession Rules, 1960. The Government has framed a new Mines and Minerals (Development and Regulation) Bill, 2011, which has been laid in the Parliament.

(e) The iron ore production during 2010-11 (provisional) was about 208.11 million tonnes whereas the total estimated domestic consumption was about 111.4 million tonnes and 97.66 million tonnes of iron ore was exported. Therefore, overall there has been no scarcity of iron ore for the domestic iron and steel industry.

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