

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:4101
ANSWERED ON:30.04.2012
IMPOSITION OF ADDITIONAL TAXES BY AUSTRALIA
Roy Shri Arjun;Yadav Shri Dinesh Chandra

Will the Minister of STEEL be pleased to state:

- (a) whether the Government of Australia has levied an additional tax at the rate of 30 per cent as mineral resources rent tax on iron and coal mines recently;
- (b) if so, the details thereof;
- (c) whether production cost borne by the steel producers in India is likely to be affected as a result of this additional tax;
- (d) if so, the details thereof;
- (e) whether the coal and steel prices in India are also likely to be affected as a result thereon; and
- (f) if so, the steps taken by the Government to counter the effect of this additional tax on the domestic industries and prices?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): As per the information available with Ministry of Steel, Australian Senate has passed the Mineral Resources Rent Tax Bill, 2011 on 19th March, 2012 which is yet to obtain the Governor General's assent to become a law. According to its provisions, iron ore and coal miners having annual profits of Australian \$ 75 million or more will be subject to new profit based tax at the rate of 30%. The proposed tax is likely to come into force with effect from 1st July, 2012.

(c)to(f): Though there may be some impact on production cost of coal and iron ore in Australia due to levy of Minerals Resources Rent Tax, international prices of coal and iron ore are more governed by the global demand and supply scenario. As such, it may not be possible at this stage to predict the exact nature of impact of the proposed tax on prices of coal and iron ore exported from Australia.