

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2523

ANSWERED ON:27.08.2012

EXPORT OF IRON ORE

Jaiswal Shri Gorakh Prasad ;Laguri Shri Yashbant Narayan Singh;Mahato Shri Narahari;Pandey Saroj;Raghavendra Shri B. Y.;Reddy Shri Modugula Venugopala ;Roy Shri Nripendra Nath;Sugavanam Shri E.G.;Tirkey Shri Manohar

Will the Minister of STEEL be pleased to state:

- (a) the total quantum of iron ore and finished steel produced, consumed and exported during each of the last three years, value-wise;
- (b) whether iron ore is exported only after keeping in view its depleting reserves, heavy demand and consumption in the country and after meeting its domestic demands;
- (c) if so, the details of the total requirement, availability and demand of iron ore in the country both in the public sector as well as private sector;
- (d) whether the domestic steel industry including the Bhilai Steel Plant and Vishvesvaraya Iron and Steel Plant, Bhadravati are suffering from fall in profits and turnover due to the shortage of iron ore;
- (e) if so, the details thereof and reasons therefor; and
- (f) the steps being taken by the Government to ensure adequate supply of iron ore to the domestic steel industries and discourage the export of raw iron ore?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a) The details of iron ore and finished steel produced, consumed and exported during each of the last three years are given below:

Finished Steel

Year Production Real Export
for sale consumption

(in million tonnes) (in million tonnes) Quantity (in Value (in
million tonnes) million tonnes) Rs. crores)

2009-10	60.62	59.34	3.25	13821.09
2010-11	68.62	66.42	3.64	17511.40
2011-12	73.42	70.92	4.04	19921.78

(provisional)

Iron Ore

Year Production Domestic Export
consumption

(in million tonnes) (in million tonnes) Quantity Value
(in million tonnes) (in million tonnes) (in Rs. crores)

2009-10	218.55	90.62	117.37	41794.85
2010-11	208.00	111.40	97.66	41295.86
2011-12	169.66	116.30	61.80	Not available

(provisional)

(Source: For finished steel - Joint Plant Committee; Ministry of Steel, For production and consumption of iron ore – IBM, Ministry of Mines; For export of iron ore – MMTC, Department of Commerce.

(b)&(c): Iron ore is in deregulated sector and decision regarding export of iron ore is taken by individual companies/ miners in terms of the Foreign Trade Policy notified by the Ministry of Commerce and Industry, from time to time. The production of iron ore in the country during the year 2011-12 was 169.66 million tonnes (provisional) as against the total estimated consumption of about 116.3 million tonnes of iron ore by the domestic iron and steel industry, whereas about 61.8 million tonnes of iron ore was exported.

(d)to(f): Profits and turnover of steel companies depend upon a number of factors such as source of raw materials, scale of operation, cost of manpower, etc., of which supply of iron ore is only one of the factors. Steel Authority of India Limited (SAIL) is meeting full requirement of iron ore of its Bhilai Steel Plant and Vishvesvaraya Iron and Steel Plant, Bhadravati from its captive mines. Production of iron ore in India is in excess of the total estimated domestic consumption by the iron and steel industry of the country.

To discourage export of iron ore and to improve availability of iron ore for the 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.