

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:2108
ANSWERED ON:24.08.2012
OPERATIONAL COST OF ALUMINIUM PRODUCTION
Patel Shri Lalubhai

Will the Minister of MINES be pleased to state:

- (a) the details of the operational cost of each aluminium production company established during the last three years;
- (b) whether there is an increase in the operational cost during the said period;
- (c) if so, the details thereof; and
- (d) the steps taken by the Government to reduce the operational cost?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF MINES (SHRI DINSHA PATEL)

(a): The major primary producers of aluminium in the country viz. National Aluminium Company Limited(NALCO), HINDALCO Industries, Bharat Aluminium Company Limited(BALCO) and Vedanta Aluminium Limited have declined to provide detailed information regarding their operating cost on account of commercial confidentiality.

(b): Yes, Madam. The primary producers have informed that their operating costs have risen substantially particularly during the year 2011-12.

(c): The increase in the operating cost is mainly due to the following:-

(i) Increase in prices of major raw materials and energy inputs viz Calcined Petroleum Coke, Coal Tar Pitch, Aluminium Flouride, Caustic soda, Fuel oil, etc.

(ii) Increase in transportation costs.

(iii) Increase in the price of coal by the Coal Companies.

(iv) Increase in employee remuneration and benefits.

(d): The primary producers endeavour to reduce their operating cost through a slew of measures like reducing power consumption by adopting energy conservation methods, reduction in specific consumption of raw materials through various means, modernization of equipments, increase in current efficiency, reducing fallen anodes in smelter, improving productivity of workers, etc.

As energy cost is substantial in aluminium smelting, all the primary producers of aluminium have been brought under the ambit of a new initiative launched by the Government of India for energy conservation and assigned a target to reduce specific energy consumption from its base line value within a defined period i.e 2010-11 to 2013-14, to be monitored by the Bureau of Energy Efficiency(Ministry of Power). Besides, the Government also reviews from time to time the rates of various duties including import duty on raw materials required for production of aluminium, with the objective of reducing the overall operating cost of primary aluminium producers.