

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

STARRED QUESTION NO:48

ANSWERED ON:26.11.2012

IMPORT OF STEEL

Laguri Shri Yashbant Narayan Singh;Verma Shri Sajjan Singh

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

(a) whether India exports iron-ore to several countries including Japan, South Korea and China at cheaper rates and, in turn, imports steel from these countries comparatively at much higher prices;

(b) if so, the details thereof along with the details of the total quantity of various ores including iron-ore exported and steel and other allied products imported from these countries and the foreign exchange earned during each of the last three years and the current year and the reasons therefor, country-wise;

(c) whether the indigenous steel makers have demanded the removal of these countries from the list of preferential Free Trade Agreement countries or for the imposition of ban on import of steel from these countries; and

(d) if so, the reaction of the Government thereto along with the remedial measures being taken to safeguard the interests of the indigenous steel industry?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

a) to d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 48 FOR ANSWER ON 26TH NOVEMBER 2012 REGARDING "IMPORT OF STEEL"

(a) & (b) Yes, Madam, India exports iron-ore to several countries including Japan, South Korea and China. Iron-ore sale price with Chinese buyers are based on "spot basis", finalised on transaction to transaction basis. Sale prices for export of iron-ore to Japan and South Korea are being finalised based on quarterly international bench mark prices, since 1st April, 2010. The bench mark prices are settled based on the price increase or decrease agreed to between Japanese Steel Mills with Australian and Brazilian suppliers. Regarding price of import of steel it is stated that Steel Sector has been de-regulated in the economy and the import of steel and the rate of import of steel depends on global and domestic market conditions prevailing at that time as well as the quality of steel being imported. As this is transaction between the willing buyers and sellers, it would be difficult to give a definitive assessment as to whether these imports are at a relatively higher price or not. Details of the India's exports of iron-ore to Japan, South Korea, China & rest of the world and imports of steel from these countries during the last three years & current year as per DGCI&S are given below:-

India's export of Iron-ores:

(Value in USD Million)

Country 2009-10 2010-11 2011-12 2012-13 (Apr-Sept)

Japan 311.78 116.21 252.44 68.50

South Korea 64.08 89.21 98.24

China 5167.89 4380.15 3979.36 1012.40

Rest of the 486.07 128.96 69.24 22.94
World

Total 6029.82 4714.53 4399.28 1103.84

India's import of Iron and Steel:

(Value in USD Million)

Country 2009-10 2010-11 2011-12 2012-13 (Apr-Sept)

Japan 874.31 864.02 1,172.05 722.93

South Korea 1,118.92 1,383.69 1,701.41 930.39

China 1,280.22 2,625.53 2,738.87 1,198.86

Rest of 4,501.37 4,859.89 5,297.39 2,225.38
the World

Total 7,774.82 9,733.13 10,910.17 5,077.56

Source: DGCI&S

(c) No Madam.

(d) Does not arise.