

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:285

ANSWERED ON:18.03.2013

SHORTAGE OF IRON ORE

Singh Shri Ravneet;Venugopal Shri P.

Will the Minister of STEEL be pleased to state:

- (a) whether the Steel Authority of India Limited (SAIL) had to scale down the operations of iron one mines in Odisha and Jharkhand due to non-availability of environmental clearances;
- (b) if so, the details thereof and its impact on the supply of raw material for its Bokaro Steel Plant and the Integrated Steel Plant in Bumpur in West Bengal;
- (c) whether several other steel companies have to incur losses due to under utilisation of their installed capacity and if so, the details thereof and the reasons therefor;
- (d) whether the Government proposes to ban the export of iron ore to address the problem of shortage of iron ore in the domestic market; and
- (e) if so, the details thereof and if not, the reasons therefor along with the steps taken/ being taken by the Government to ensure adequate supply of iron ore at reasonable price in the domestic market?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)to(e): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE LOK SABHA STARRED QUESTION NO.285 FOR ANSWER ON 18/03/2013 TABLED BY SHRI RAVNEET SINGH AND DR. P. VENUGOPAL, MEMBERS OF PARLIAMENT REGARDING SHORTAGE OF IRON ORE

- (a) Non availability of environmental clearances has resulted in closure of SAIL's Sukri latur mine since March, 2009, Gua mine since June, 2011, intermittent closure of Bolani mines in the year 2011-12 and 2012-13 for about 90 days and Dhobil mine for five months.
- (b) No, Madam. Although closure of above mines created some shortfall of iron ore for SAIL plants in later half of 2011-12, this was addressed by conversion of iron ore fines from SAIL mines into pellets through KIOCL Limited. Further, the situation has been normalized by scaling up production in other mines and opening of Bolani mine.
- (c) The iron ore mines have been allocated to Steel Authority of India Limited (SAIL) only for captive consumption of iron ore at its integrated steel plants located at Bhilai, Rourkela, Bokaro, Bumpur and Durgapur.
- (d)&(e): The Government has decided that though conservation of iron ore resources of the country is of paramount importance, it should be achieved not by banning or capping the export of iron ore but by taking recourse to appropriate fiscal measures. Accordingly, 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 to 30% ad valorem on all grades of iron ore (except pellets).