

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:3370
ANSWERED ON:18.03.2013
PRICE OF IRON ORE
Singh Shri Bhupendra

Will the Minister of STEEL be pleased to state:

- (a) whether the prices of iron ore have increased in the country during the last three years and the current year;
- (b) if so, the year-wise details of the prices of iron ore;
- (c) whether the trend of iron ore consumption and continuous increase in its prices have affected the manufacturing industry;
- (d) if so, the details thereof;
- (e) the steps taken by the Government to control the rising prices of iron ore; and
- (f) the extent to which the Government has achieved success in controlling the prices of iron ore in the domestic market?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): The prices of iron ore depends on various factors such as quality of the ore, cost of transportation, international prices and prevailing market conditions. The domestic iron ore prices of NMDC Limited, a Central Public Sector Enterprise engaged in iron ore mining, shows a fluctuating trend during the last three years as given below:

Year / Quarter / Month NMDC Iron ore Prices (Rs./WMT, FOR mine)
Baila Fines (64%) Baila Lump (65.5%)

2010-11 - Q1 2924 3781

2010-11 - Q2 3356 4340

2010-11 - Q3 3199 4137

2010-11 - Q4 3366 4353

2011-12 - Q1 2870 4540

2011-12 - Q2 2880 4600

2011-12 - Q3 3380 5120

2011-12 - Q4 2590 4960

2012-13 - Q1 2880 5480

2012-13 - Q2 3030 6190

2012-13 - Oct 12 2690 6070

2012-13 - Nov 12 2610 5380

2012-13 - Dec 12 2610 5380

2012-13 - Jan 13 2610 5060

2012-13 - Feb 13 2610 5060

2012-13 - March 13 2610 4950

Source: NMDC Limited

(c)&(d): Data on crude steel production in the country during the last three years and current year as given below, do not show any decline in the volume of crude steel produced in the country:

Year Production of Crude
steel (in million tonnes)

2009-10 65.84

2010-11 70.67

2011-12 73.79

2012-13# 65.06

(April-
January)

Source: Joint Plant Committee (JPC); # Provisional

(e)&(f): Iron ore is in deregulated sector. Accordingly, prices of iron ore are fixed by mining companies based on quality of the ore, commercial prudence and general market situation. Government has no direct role in fixation of prices of iron ore. However, to improve availability of iron ore to domestic iron and steel industry at affordable prices, the Government has increased the export duty on iron ore to 30% ad valorem on all grades of iron ore (except pellets).