

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:6318
ANSWERED ON:06.05.2013
RAW MATERIAL REQUIREMENT
Jakhar Shri Badri Ram ;Singh Shri Pashupati Nath

Will the Minister of STEEL be pleased to state:

- (a) the total number of steel based industries in the country, State-wise along with the quantum of crude steel/finished steel/steel products exported/imported during the said period;
- (b) the estimated quantum of raw coal and iron ore required by the public sector steel plants during each of the next three years, plant-wise and during each of the three years and the current year;
- (c) whether indigenous production of coal and iron ore are sufficient to fulfil the entire demand of the steel sector and if so, the details thereof along with the quantum of coal and iron ore supplied against the total demand during the said period;
- (d) if not, the quantum of coal and iron ore imported/exported by the public sector steel plants along with the rates at which the same were imported/exported during the said period;and
- (e) the steps being taken by the Government to ensure regular supply of raw materials like coal and iron ore and to produce indigenously the steel products that are being imported?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI BENI PRASAD VERMA)

(a) Information on steel-based industries in the country is not available. However, state-wise distribution of units producing crude steel in the country, the total production of crude steel, and production for sale, export, import and real consumption of total finished steel, for the last five years, are at Annexures-I & II.

(b) The estimated quantum of raw coal and iron ore required by public sector steel plants during the next three years as well as the current year are as follows:-

Name of the PSU	Item (in MT)	Year
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	2013-14	2014-15	2015-16
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RINL, Vishakhapatnam	Coal	6.254	6.594	7.089
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Iron Ore	6.6	8.3	9.2
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Year-wise Plant-wise tentative iron ore requirement of SAIL Plants is as follows:-

Unit: Million Tonnes

Plant/Year	2013-14	2014-15	2015-16
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Bhilai Steel Plant (BSP) 9.25 10.23 12.21

Durgapur Steel Plant (DSP) 3.54 3.47 3.63

Rourkela Steel Plant (RSP) 5.80 6.11 6.93

Bokaro Steel Plant (BSL) 7.09 6.93 8.91

IISCO Steel Plant (ISP) 1.82 3.96 4.80

Visvesvaraya Iron & Steel Plant (VISP) 0.29 0.27 0.32

Total 27.79 30.97 36.80

The plant-wise estimated requirement of coking coal for use in coke oven batteries and CDI coal for injection in blast furnaces at SAIL plants during next three years, based on projected production, is as follows:- Unit: Million Tonnes

Plant 2013-14 2014-15 2015-16

Coking CDI Coking CDI Coking CDI
Coal Coal Coal Coal Coal Coal

Bhilai Steel Plant (BSP) 4.5 0.3 5.6 0.4 6.4 0.6

Durgapur Steel Plant (DSP) 1.9 0.1 1.9 0.1 2.0 0.2

Rourkela Steel Plant (RSP) 3.0 0.1 3.2 0.3 3.3 0.5

Bokaro Steel Plant (BSL) 2.9 0.2 3.9 0.2 4.9 0.4

IISCO Steel Plant (ISP) 2.1 - 2.3 0.1 2.6 0.2

Total 14.4 0.7 16.9 1.1 19.2 1.9

(c) The production of iron ore during the year 2011-12 (provisional) was 167.28 million tonnes as against the total estimated consumption of about 116.3 million tonnes of iron ore by the domestic iron and steel industry. Therefore, production of iron ore in India was in excess of the total estimated domestic consumption by the iron and steel industry.

However, there are constraints regarding availability of quality coking coal in the country and presently, a major portion of coking coal requirement of domestic steel industry is being fulfilled through imports. During the year 2011-12, 16.05 million tonnes of coking coal was made available to Steel sector and 30.04 million tonnes of coking coal was imported {Source: Coal Statistics 2011-12 (Provisional)}

The total production and demand of iron ore in the country during the last three years are given below:-

(Quantity in million tonnes)

Year Iron Ore produced @ Demand / Domestic consumption

2009 - 10 218.55 96.3@

2010 - 11 (P) 207.15 105.23@

2011 - 12 (P) 167.28 116.3#

@ - Source for production - IBM, Ministry of Mines

- Source - estimates of Ministry of Steel

(d) There was no import of iron ore by RINL.

About 4.4 million tonnes of Coking Coal is being procured from Australia, US and New Zealand.

Receipts volume Landed Cost (in Rs.
(in million tonnes) Per metric ton)

2010-11 2011- 2012- 2013- 2010- 2011- 2012- 2013-
12 13 14 11 12 13 14

Coking 3.455 3.676 3.343 0.459 11,345.65 14,339.04 12,015.42 9,997.17
coal
and PCI

Boiler 0.08 - - - 3,681.07 - - -

Coal

(Receipts till April, 2013)

SAIL procures imported Metallurgical Coal based on the requirements of the SAIL steel plants every year. The quantity and weighted average price of Imported Metallurgical Coal procured by SAIL during last three years are as under:-

Year	Quantity imported on receipt basis (Million Tonnes)	Weighted Avg. Price (US\$ PMT FOBT)
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2010-11	10.27	\$223.60
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2011-12	10.42	\$272.80
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2012-13	10.12	\$182.00
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(e) To improve availability of iron ore to domestic iron and steel industry, the Government has increased the export duty on iron ore to 30% ad valorem on all grades of iron ore (except pellets). Import duty on coking coal and steam coal has also been kept at Nil. Besides, a Special Purpose Vehicle namely International Coal Ventures Limited (ICVL) has been formed for acquisition of coal assets abroad.