

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:537  
ANSWERED ON:09.12.2013  
PRODUCTION OF SPONGE STEEL  
Mahendrasinh Shri Chauhan

**Will the Minister of STEEL be pleased to state:**

- (a) whether India has emerged as the biggest producer of sponge iron and if so, the quantum of the total sponge steel produced during each of the last three years and current year;
- (b) the details of the domestic demand of sponge iron at present; and
- (c) the details of the foreign exchange earned by the export of the said iron during the said period along with the foreign exchange likely to be earned during the current financial year?

**Answer**

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

- (a) India has been the largest producer of sponge iron during each of the last three years and the current year as shown below:-

Production for sale of Sponge Iron (million tonnes or mt)

2010-11    25.081

2011-12    19.633

2012-13    19.768

April-October 2013 10.607

Source: JPC; provisional

- (b) Domestic demand is reflected in apparent consumption defined as production for sale after accounting for net exports (exports less imports) and adjusting for stock variation. Data on apparent consumption of sponge iron during April-October 2013-14 is given below:-

Period Apparent Consumption of Sponge Iron (mt)

April-October 2013-14 10.570

Source: JPC; provisional

- (c) Data on foreign exchange earned from exports i.e. value of exports of sponge iron by the country during the last three years and April-October 2013-14 is given below:-

Year    Value of Export of Sponge Iron (Rs. crore)

2010-11    42.0

2011-12 102.09

2012-13 140.32

April-October 2013 106.29

Source: JPC; provisional

As regards the foreign exchange likely to be earned during the current financial year, there is no specific forecast on the potential export of sponge iron as the same depends on the market conditions and market strategies of individual producers. It is also not possible to forecast export prices due to the highly volatile and dynamic character of the market of sponge iron and scrap. Therefore, it is not possible to forecast foreign exchange that can be earned from export of sponge iron in the future.