

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1003

ANSWERED ON:02.03.2015

SHORTAGE OF RAW MATERIAL FOR STEEL SECTOR

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Will the Minister of STEEL be pleased to state:

- (a) whether the steel sector is facing an acute shortage of raw material like iron ore and coal resulting in increased cheaper imports from the international market;
- (b) if so, the details thereof along with the reasons therefor;
- (c) the quantity of iron ore supplied by National Mineral Development Corporation to the domestic steel sector during each of the last three years and the current year; and
- (d) the corrective steps taken/proposed to be taken by the Government to ensure adequate supply of the said raw material to the domestic steel sector by increasing domestic production and by resolution of the issues which led to ban on mining operation in Odisha, Karnataka and Jharkhand?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF (SHRI VISHNU DEO SAI) STEEL AND MINES

(a)&(b): No, Madam. There is no acute shortage of raw material like iron ore. However, there are regional shortage of iron ore due to Supreme Court decisions regarding lease renewal in the states of Goa & Odisha and cancellation of mining leases in the state of Karnataka. The import of iron ore has increased from 0.37 Million Tonnes (MT) in year 2013-14 to 5.63 MT in year 2014-15 (April-November). Coking coal which is used in steel making is largely imported into India due to its non availability.

(c) The quantity of iron ore supplied to the domestic sector by National Mineral Development Corporation during each of the last three years and the current year is as under :-

| QTY. IN MILLION TONNES | | | |
|------------------------|------------|-------------------|--------------------------|
| YEAR | PRODUCTION | IRON ORE SUPPLIED | TO DOMESTIC STEEL SECTOR |
| 2011-12 | 27.3 | 26.91 | |
| 2012-13 | 27.0 | 24.67 | |
| 2013-14 | 30.2 | 28.2 | |
| 2014-15 | 25.63 | 23.34 | |
| (APRIL '14 - JAN. '15) | | | |

(d) Government of India has promulgated The Coal Mines (Special Provisions) Ordinance, 2014 and The Mines and Minerals (Development and Regulations) Ordinance, 2015 to boost up the mining activity. Concerns regarding adequate supply of raw material are also addressed in IMG meetings with State Governments.