

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2740
ANSWERED ON:28.07.2014
INFRASTRUCTURE FOR STEEL INDUSTRY
Kumar Shri P.

Will the Minister of STEEL be pleased to state:

- (a) whether the Government is considering to boost investment in infrastructure for steel industries during the 12th Five Year Plan;
- (b) if so, the details thereof along with the extent to which it is likely to help in growth of steel industry;
- (c) whether stopping of mining activity in India has led to shortage of iron ore for the steel industry which is harming the production of steel; and
- (d) if so, the details thereof along with the corrective steps taken by the Government in this regard?

Answer

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

(a)&(b): The Ministry of Steel interacts with the Project Proponents of the Steel sector with a view to know the infrastructure related requirements and in turn takes up the same with the concerned Central Ministries for their implementation. This is an ongoing and continuous process.

(c)&(d): At present production of Iron ore in the Country is sufficient to meet the requirement of domestic Steel Industry. Details of last three years' iron ore production and domestic consumption are given in the table below. As can be seen production of iron ore has seen a decline in the past few years and regional shortages have taken place in states like Karnataka.

[in Million Tonnes (MT)]

Year	Iron ore Domestic production	Consumption
2011 -12	167.29	100.57
2012 -13 (P)	135.85	103.39
2013 -14 (P)	152.06	103.73 (e)

[Source: Production/Consumption - Indian Bureau of Mines, Ministry of Mines; (P)- Provisional; (e) – Estimated]

The Government has decided that although conservation of iron ore resources is of paramount importance, the same may not be achieved by banning or capping the export of iron ore but by taking recourse to appropriate fiscal measures. Fiscal measures have been adopted by Government to make more iron ore available in domestic market by imposing export duty on iron ore @ 30% ad valorem [@ 5% ad valorem on iron ore pellets] and levying higher railway freight on export cargo of iron ore.