

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:4628
ANSWERED ON:11.08.2014
PRODUCTION OF IRON ORE
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Will the Minister of STEEL be pleased to state:

- (a) whether the domestic production of iron ore and the per capita consumption of steel in the country have declined and the share of import of iron ore and steel have increased in the recent years;
- (b) if so, the details thereof during each of the last three years and the current year along with the reasons therefor;
- (c) the impact of low production of iron ore on various sectors of the economy and on the consumers;
- (d) the projected demand of steel during the said period; and
- (e) the steps taken/being taken by the Government to meet the projected demands?

Answer

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

(a)&(b): Domestic production of iron ore has seen a decline in the past few years due to regional shortages in some States like Karnataka due to legal and regulatory issues. However, during 2013-14 there has been an increase in the production of iron ore as compared to the previous year. Per capita consumption of steel in the country has seen a marginal decline of 0.4% in the year 2013-14.

As Iron and Steel is a deregulated sector, import of Iron ore/Steel may be undertaken by the individual companies based on their requirements. Although import of iron ore was 3.05 MT in 2012-13, it has seen a fall in 2013-14. Import of Steel has also declined in the year 2013-14 as compared to imports during previous years.

Details regarding domestic production of iron ore, per capita consumption of steel and import of iron ore and steel for the last three years are given below:

Year	Production of Iron ore (Million Tonnes)	Import of Iron ore (Million Tonnes)	Per Capita consumption of Steel (Kg)	Import of Steel (Million Tonnes)
2011-12	167.29	0.97	58.2	6.86
2012-13 (P)	135.85	3.05	59.3	7.93
2013-14 (P)	152.06	0.37	59.0	5.45
2014-15 (P)	56.5	0.04	Not applicable	1.66#

(April-May) applicable
[Source:- Iron ore Production -

IBM, Ministry of Mines; Import of Iron ore/Steel and Per Capita consumption of Steel-JPC and DGCIS; (P)-Provisional; (April-June, 2014)]

(c) Production of iron ore in country is sufficient to meet domestic requirement of iron and steel sector. Details of iron ore production and domestic consumption are as follows:

(in Million Tonnes)

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

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

(d)&(e): Demand/Real consumption and production for sale of finished steel during the last three years and the current year is provided below:

(in Million Tonnes)

Year	Production for sale	Real Consumption of Total
	f finished Steel	Finished Steel for Sale
2011-12	75.69	71.02
2012-13	81.68	73.48
2013-14 (P)	85.05	73.89
April-June	22.01	18.82
2014 (P)		

[Source: JPC; (P) Provisional]

The Government plays the role of a facilitator in the de-regularise Steel sector. In order to meet the demands of steel sector fiscal measures have been adopted by Government to make more iron ore available for the domestic Steel Industry by imposing an Export duty of 30% ad valorem on iron ore and 5% ad valorem on iron ore pellets.