

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.1827
FOR ANSWER ON 29/03/2012

IRON ORE MINING IN AFGHANISTAN

1827. SHRI A. ELAVARASAN:

Will the Minister of STEEL be pleased to state:

- (a) whether the Steel Authority of India (SAIL) led consortium which won three iron ore mines in Afghanistan wants Indian Government to compensate the group's financial losses in case of a break-up at any point of time during the investment period;
- (b) if so, the details thereof;
- (c) whether the group also sought from Government guarantee for its borrowing;
- (d) whether the demands for such compensation has been made due to the high risk involved in investing in Afghanistan; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF STEEL

(SHRI BENI PRASAD VERMA)

(a)to(e): The Steel Authority of India Limited (SAIL) led consortium has been declared as a preferred bidder for the blocks B, C and D in the Hazigak iron ore deposits and is presently engaged in negotiations prior to signing of a contract with Ministry of Mines, Government of Afghanistan.

There are inherent uncertainties in the quantum and quality of iron ore in the said blocks. Moreover, due to the security risks involved of investing and operating in Afghanistan, difficulties involved in evacuation, long gestation and multi-faceted nature of project and associated infrastructure, the SAIL led consortium has requested the Government of India for providing assistance/support in the form of loan/aid for the project and ore evacuation, logistics and infrastructure.
