

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.2796**  
FOR ANSWER ON 17/12/2014

**SHORTAGE OF RAW MATERIALS IN STEEL INDUSTRY**

2796. SHRI RAJKUMAR DHOOT:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that steel sector is facing severe shortage of raw material due to acute shortage of iron ore due to legal curbs and lukewarm policies of Centre and States;
- (b) if so, the details thereof; and
- (c) the remedial measures Government proposes to take in the matter?

**ANSWER**

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

(a)&(b): No, Sir. There is no overall shortage of iron ore in the country. Regional shortages of iron ore have taken place in the states like Karnataka, Odisha & Jharkhand due to legal & regulatory issues. However, production of Iron ore in the Country is more than the requirement of domestic Steel Industry. Details of last three years' iron ore production & domestic consumption are given in the table below:-

(in Million Tonnes)

Year	Iron ore production	Domestic Consumption
2011 -12	168.58 (R)	100.57
2012 -13 (P)	136.61	103.40
2013 -14 (P)	152.43	110.50 (e)

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

(c) Iron & Steel is a deregulated sector. The role of the Government in a de-regulated sector is that of a facilitator. In order to ensure sufficient availability of iron ore in the domestic steel sector fiscal measures have been adopted by Government to discourage export of iron ore by imposing an export duty of 30% ad valorem on iron ore and 5% ad valorem on iron ore pellets.

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