

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.3068**  
FOR ANSWER ON 20/12/2012

**MARKETING OF IRON ORE BY NMDC**

3068. SHRI DHARMENDRA PRADHAN:

Will the Minister of STEEL be pleased to state:

- (a) whether iron ore is being marketed at high rates to domestic steel companies by National Mineral Development Corporation (NMDC);
- (b) the facts regarding sale of iron ore at high price to domestic steel companies and exporting it at lower rates by NMDC;
- (c) whether Government has taken any steps taking cognizance of the complaints of domestic steel companies; and
- (d) if so, the details thereof?

**ANSWER**

THE MINISTER OF STEEL

(SHRI BENI PRASAD VERMA)

(a)&(b): Sales under export agreements are done on Free on Board (FOB) port basis whereas domestic sales are done on Free on Rail (FOR)/ Free on Truck (FOT) mine basis and as such these two types of prices are not directly comparable. The export and domestic prices of iron ore of NMDC Limited, during the year 2012-13, are given below:

Period	Domestic price of iron ore (in Rs./ Tonne on FOR mine basis)		Export Price of iron ore (in US \$ / DLT-FOB port basis)	
	Baila Lump	Baila Fines	Baila Lump	Baila Fines
Q1 (April, 2012 – June, 2012)	5480	2800	146.90	135.20
Q2 (July, 2012 – September, 2012)	6190	3030	153.60	141.38
October'12	6070	2690	131.93	121.43
November'12	5380	2610	131.93	121.43

(c)&(d): Iron ore is in deregulated sector. Prices of iron ore are fixed by the individual companies based on commercial prudence and general market situation. Being a Navratna Public Sector Enterprise, the commercial and financial decisions of NMDC including pricing of iron ore are taken by the Board of Directors of the company. The Government generally does not interfere in commercial decisions of the company. However, to improve availability of iron ore to domestic iron and steel industry at affordable price, the Government has increased the export duty on iron ore from 20% ad valorem to 30% ad valorem on all grades of iron ore (except pellets) with effect from 30.12.2011.

\*\*\*\*\*