

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.4771
FOR ANSWER ON 09/05/2013

INADEQUACY OF IRON-ORE FOR STEEL PLANTS

4771. DR. T. SUBBARAMI REDDY:
DR. V. MAITREYAN:

Will the Minister of STEEL be pleased to state:

- (a) whether the reserves of the high quality of iron-ore is inadequate in the country;
- (b) if so, the details thereof;
- (c) whether Government proposes to exclusively reserve such iron-ore mines for the use by the domestic steel industry;
- (d) if so, the details thereof along with the present status thereon and if not, the reasons therefor;
- (e) whether the domestic steel industry is facing the shortage of iron-ore in general; and
- (f) if so, the steps being taken to meet the growing need of high quality iron-ore in the domestic market?

ANSWER

THE MINISTER OF STEEL

(SHRI BENI PRASAD VERMA)

(a)&(b): Out of the total iron ore resources as on 1.4.2010, of about 28.5 billion tonnes in the country, total resources of High Grade Iron ore (Fe content: +65%) are about 2.42 billion tonnes. Considering the growth of the iron and steel industry and planned steel capacities, the present resources of high grade iron ore in the country may not be sufficient to meet the long term requirement of domestic iron and steel industry.

(c)&(d): No, Sir. There is no proposal in the Ministry of Steel, at present, to exclusively reserve iron ore mines for use by the domestic steel industry. Iron ore of Fe content more than 64% is canalized and exported through MMTC. The Government has decided that conservation of iron ore resources of the country should be achieved not by banning or capping the export of iron ore but by taking recourse to appropriate fiscal measures. Government has imposed export duty of 30% ad valorem on all grades of iron ore except pellets.

(e) The iron ore production during 2011-12 (provisional) was about 167.28 million tonnes as against the total estimated domestic consumption of about 116.3 million tonnes of iron ore by the domestic iron and steel industry. Therefore, production of iron ore in India was in excess of the total estimated domestic consumption by the iron and steel industry.

(f) 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% to 30% ad valorem on all grades of iron ore (except pellets).
