

LOK SABHA
UNSTARRED QUESTION NO.2948
FOR ANSWER ON 12/12/2011

CAPTIVE ORE MINES FOR STEEL PLANTS

2948. SHRI KAPIL MUNI KARWARIYA:
SHRI RAM SUNDAR DAS:

Will the Minister of STEEL be pleased to state:

- (a) whether a number of private/public sector steel plants in the country do not have their own captive iron ore mines;
- (b) if so, the details thereof;
- (c) whether the cost of production of steel is higher in these plants as compared to those plants which have captive iron ore mines; and
- (d) if so, the remedial steps being taken by the Government in this regard?

ANSWER

THE MINISTER OF STEEL

(SHRI BENI PRASAD VERMA)

(a)&(b): Yes, Madam. As per the information available in the Ministry of Steel, amongst the large integrated steel plants, Steel Authority of India Limited (SAIL) having its integrated steel plants at Bokaro (Jharkhand), Durgapur (West Bengal), Rourkela (Orissa), Burnpur (West Bengal), Bhilai (Chhattisgarh) and Tata Steel Limited, Jamshedpur (Jharkhand) meet a large portion of their requirement of iron ore from their own captive mines. All other major steel producers either partially meet their requirement from captive sources or obtain the entire requirement of iron ore from the market.

(c) Cost of production of steel is dependent upon several factors such as cost of raw material, cost of transportation, technology, manpower, energy etc. However, iron ore being one of the major raw material inputs for iron and steel making, the primary steel producers having captive iron ore mines enjoy the relative benefit on cost of (steel) production.

(d) Iron ore mines are allocated by the Ministry of Mines on lease basis under Mines and Minerals (Development & Regulation), Act, 1957 in consultation with the State Governments. Therefore, the request for captive iron ore mines, as and when received, are examined and recommended to the Ministry of Mines for taking appropriate action.
