

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**LOK SABHA**  
**UNSTARRED QUESTION NO.3104**  
FOR ANSWER ON 15/03/2021

**RAW MATERIAL FOR STEEL INDUSTRY**

3104. DR. VISHNU PRASAD M.K.:

Will the Minister of STEEL be pleased to state:

- (a) whether the Indian steel industry continues to grapple with uncertainties pertaining to availability of consistent supplies of raw materials i.e. coal and iron ore;
- (b) if so, the details thereof along with the action taken/ proposed to be taken by the Government in this regard; and
- (c) the measures taken/proposed to be taken by the Government in regard to modernisation and expansion of the existing steel units as well as green-field plants to build a world class, cost competitive and socially responsible steel industry?

**ANSWER**

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

- (a) The demand of raw material i.e., iron ore for Indian Steel Industry is met from the domestic supply in the country while the demand of coking coal is met mainly through imports.
- (b) The focus of the Government is on increasing domestic production of coal and to achieve these targets through allocation of more coal blocks, pursuing with State Governments for assistance in land acquisition and coordinated efforts with Railways. In order to enhance domestic production, 25% of coal production has been allowed for sale of coal for newly allocated captive coal blocks. Commercial mining, with a provision for 100% foreign investment, has also been allowed by the Government.

Further, Ministry of Mines through their two separate orders dated 16.09.2019 have allowed Steel Authority of India Limited (SAIL) to sell 25 percent of its total iron ore production in the previous year and to dispose of the old stock of 70 Million Tonnes (MT) of low grade iron fines and ores (including slime) lying dumped across different captive mines of SAIL. SAIL mines have made available about 2.6 MT of iron ore (Fresh Fines = 2.2 MT, Dump Fines = 0.4 MT) during the period April-December, 2020.

- (c) Steel is a de-regulated sector. Decisions regarding modernization, expansion or setting up new steel plants/greenfield projects are taken by the respective companies, based on commercial considerations and market dynamics keeping in view techno-economic viability of projects.

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