

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.121
FOR ANSWER ON 22/11/2012

SCARCITY OF IRON ORE AND PRICES OF COOKING COAL

121. DR. V. MAITREYAN:

Will the Minister of STEEL be pleased to state:

- (a) whether the scarcity of iron ore and high prices of cooking coal are forcing steelmakers especially smaller ones, into debt restructuring;
- (b) if so, the details thereof; and
- (c) the steps being taken to ease the situation for the benefit of both the manufacturers as well as the consumers?

ANSWER

THE MINISTER OF STEEL

(SHRI BENI PRASAD VERMA)

(a)&(b): During the year 2011-12, the country's total production of iron ore was 169.66 million tonnes (provisional) as against the total estimated consumption of about 116.3 million tonnes 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. As per the available information, the hard coking coal spot prices are on a declining trend in international market during last one year and have fallen from the level of \$310 per tonne in June, 2011 to \$145 per tonne in October, 2012 (Free on Board (FOB) Australia; Source: SBB, as provided by Economic Research Unit, Ministry of Steel).

(c) To improve the availability of iron ore for the 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. Import duty on coking coal and steam coal has also been kept at Nil.
