

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.734
FOR ANSWER ON 29/11/2012

CONSUMPTION/PRODUCTION OF STEEL

734. SHRI BASAWARAJ PATIL:

Will the Minister of STEEL be pleased to state:

- (a) the data of steel consumption in the country in the last three years;
- (b) the data of steel production in the country in the last three years;
- (c) the amount of iron ore we have exported in the last three years;
- (d) the reasons for Government not processing the iron ore in our own country;
- (e) the impact of iron ore export from the country; and
- (f) the reasons for not banning the export of iron?

ANSWER

THE MINISTER OF STEEL

(SHRI BENI PRASAD VERMA)

a) The requisite information is as under:

Period	Consumption of Finished Steel (in million tonnes)
2009-10	59.34
2010-11	66.42
2011-12*	70.92

Source: JPC; * provisional

(b) The requisite information is as under:

Period	Crude Steel Production (mt)
2009-10	65.84
2010-11	70.67
2011-12*	73.79

Source: JPC; * provisional

(c) The amount of iron ore exported during the last three years is as under:

Year	Export (in million tonnes)
2009-10	117.37
2010-11	97.66
2011-12*	61.80

Source: MMTC, Department of Commerce; * provisional

Contd....2/-

(d) Iron and steel is a deregulated sector and decision regarding setting up of iron ore processing industries is taken by individual investors and the Government has no direct role in it. However, the Government is encouraging domestic utilization of iron ore fines through beneficiation and pelletisation of iron ore. For encouraging beneficiation and pelletization of iron ore in the country, the following fiscal measures have been taken:

- (i) Basic Customs Duty on import of plants/ equipments used in initial set up and expansion of iron ore pellet plants and iron ore beneficiation plants has been reduced to 2.5% from 7.5%.
- (ii) Export duty on iron ore pellets has been withdrawn.

(e) The production of iron ore during the year 2011-12 was 169.66 million tonnes (provisional) as against the total estimated consumption of about 116.3 million tonnes of iron ore by the domestic iron and steel industry. Therefore, although the present production of iron ore in India is in excess of the total estimated domestic consumption by the iron and steel industry, the Ministry of Steel is of the view that export of iron ore needs to be discouraged for long term requirement of domestic iron and steel industry.

(f) The Government has decided that though conservation of iron ore resources of the country is of paramount importance, the same may not be achieved by banning or capping the export of iron ore but by taking recourse to appropriate fiscal measures. The Ministry of Steel has been taking up matter regularly with Department of Revenue for levying an appropriate export duty on iron ore to discourage its export. 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.
