

LOK SABHA
UNSTARRED QUESTION NO.894
FOR ANSWER ON 23/07/2018

SHORTAGE OF RAW MATERIAL FOR STEEL SECTOR

894. SHRI GODSE HEMANT TUKARAM:

Will the Minister of STEEL be pleased to state:

- (a) whether the Steel sector is facing an acute shortage of raw material like iron ore and coal resulting in increased cheaper steel imports from the international market;
- (b) if so, the details thereof and the reasons therefor;
- (c) the quantity of iron ore supplied by National Mineral Development Corporation (NMDC) to the domestic Steel sector during each of the last three years and the current year; and
- (d) the corrective steps taken/proposed to be taken by the Government to ensure adequate supply of the said raw material to the domestic Steel sector for increasing domestic production and by resolving the issues which led to ban on mining operation in Odisha, Karnataka, Jharkhand and Maharashtra?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a)&(b): The production of iron ore is sufficient to meet the current demand/consumption of iron ore by domestic steel industry. However, due to limited production of coking coal in the country and also due to its low quality, domestic steel industry has to depend upon imported coking coal to fulfill its requirement. There is no reported information of increase in cheaper steel import from the international market due to shortage of raw material.

(c) The production and domestic sale of iron ore by National Mineral Development Corporation (NMDC) for the last three years and current year is as under:-

(in Million Tonnes)

Period	Production	Domestic Sale
FY 2015-16	28.5	27.7
FY 2016-17	34.0	32.9
FY 2017-18	35.5	33.5
FY 2018-19 (April-June)*	6.9	6.9

* Provisional.

(d) Government has enacted the Mines and Minerals (Development and Regulation) Amendment Act, 2015 and Coal Mines (Special Provisions) Act, 2015 to boost the growth of mineral sector.

In order to ensure availability of iron ore for domestic steel industry, Government has imposed export duty of 30% on all forms of iron ore except low grade (below 58%) iron ore (lump & fines) which have nil export duty.
