

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:964
ANSWERED ON:28.11.2006
EXPORT OF PROCESSED IRON
Murmu Shri Hemlal

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government have taken any steps to export the processed iron-ore and if so, the details thereof; State-wise;
- (b) the details of main impediments in this regard;
- (c) the details of the iron-ore exported during the last three years and the benefits accrued to the Government therefrom; and
- (d) whether without exporting iron-ore the Government are unable to derive its benefits?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a)The Foreign Trade Policy allows export of processed iron ore. Government has also allowed setting up of Export Oriented Units (EOUs) undertaking to process and export their entire production of iron ore. Details of steps taken to export processed iron ore are not maintained state-wise.

(b)The major impediments to export of processed iron ore are environmental issues which affect iron ore processing and mining as large number of mines are located in ecologically sensitive areas; limited availability of railway wagons for transportation of iron ore; limited port capacity to unload railway wagons and load iron ore ships; and inadequate water and power.

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

2003-04 2004-05 2005-06 (Prov.)
625.79 781.45 892.77

(Qty. in lakh tonnes) Source: GMOEA, KIOCL & MMTC

Exports bring in valuable foreign exchange, create employment opportunities and protect environment from pollution caused by iron ore fines.

(d)In case iron ore surplus to domestic demand is not exported, it would lead to glut in domestic market discouraging investment in mining, cause unemployment in mining areas particularly the areas predominantly inhabited by the tribals, cause environmental hazards, loss of valuable foreign exchange, etc. It would also confer unintended benefit to other competitor countries like Australia, Brazil and South Africa who would take advantage of the situation and monopolise the market, edging out India from International market which is disadvantageous to the country especially on account of the cyclical nature of the sector.