

# Ministry seeks phased ban on iron ore exports

Subhash Narayan

NEW DELHI

THE steel ministry has sought phased reduction in iron ore exports to meet the growing demand from the domestic steel industry. In a letter to commerce & industry minister Kamal Nath, steel minister Ram Vilas Paswan has sought amendment in the export-import policy to include a special clause for reducing iron ore exports by about 10-15% per annum.

He also suggested that the government should continue with present arrangement of canalising exports of high grade iron ore — iron content of 65% or above — and stop grant of new export licences. The Hoda Panel, which recently submitted its recommendations for the new mineral policy, had suggested discontinuance of canalisation of iron ore exports and favoured only imposition of an export levy on high-grade iron ore.

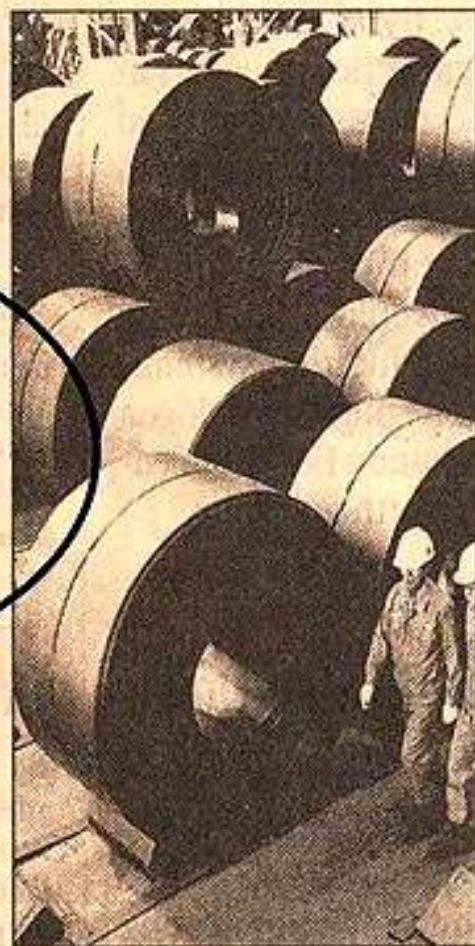
Mr Paswan's letter has suggested that controlling iron ore exports is essential due to faster-than-targeted growth in steel production in the country. As per industry projections, India's steel production is slated to grow to over 130mt, much ahead of targets set in the national steel policy. Therefore, the industry would require about 210mt of iron ore for domestic consumption.

Last fiscal, the country produced 165mt of iron ore and exported 64% of it. At the current rate of growth, the steel ministry has projected that iron ore resources would be exhausted in another 25 years.

While favouring export levy on iron ore, the steel minister has also suggested that a mining levy should also be imposed. Proceeds from this levy could go to a fund the corpus which is used to modernise mining activities in the country.

Mr Paswan has also suggested that owners of captive iron ore mines should be barred from exporting or selling ore in the domestic market. He has favoured provision of fiscal incentives to steel makers who utilise iron ore fines generated through their mines for sintering or for pelletisation.

The steel minister said that these measures would go a long way in better utilisation of national resources. The policy, he has suggested, should be reviewed every 5-10 years, keeping in view new explorations, consumption and export pattern.



## Steel cos to lower prices of common items

**New Delhi:** Responding to steel minister Ram Vilas Paswan's appeal to keep prices under check for the benefit of the common man, steel producers have agreed that they will make available items of common consumption in rural districts and blocks at prices on par with the metros, reports **Our Bureau**. This means that the cost of transportation as well as the distributors' and wholesalers' margin will be borne by the producers. This would amount to a relief of Rs 600-1,000 per tonne to rural customers.

Producers also resolved to adopt villages near their plants as a part of the corporate social responsibility programme to develop these areas as model steel villages. They also plan to draw health, education and livelihood promotion schemes in these villages based on the government's development schemes.