

GOVT. WILL RESTRICT IRON-ORE EXPORTS: STEEL MINISTER

Delhi, July 8: The government will henceforth restrict exports of iron ore to overseas countries including China to enable its optimal use for domestic steel makers and only encourage ore exports in value added form.

Disclosing this at ASSOCHAM organized 3rd Steel Summit held here today, Union Minister for Steel, Mr. Virbhadra Singh also said that the government has no intention to levy higher import duty on steel imports. Besides, the Minister added that the Steel Ministry has yet to take a stand on disinvestment issue of Steel Authority of India Ltd.

“The emphasis of future Steel Policy of the government would be to discourage and restrict exports of iron ore just as China reserves its iron ore for its own industry and US continue to preserve reserves of its crude”, clarified Mr. Singh.

He said that in future, iron ore exports would be encouraged only in value added form and that too in limitations so as to bring India higher foreign exchange and that the government would ensure that its reserves of iron ore are fully utilized for domestic steel makers. “With this approach, India can become a global hub for steel manufacturing”, said the Minister.

Mr. Singh categorically denied levy of higher import duty on finished steel imported from overseas as also clarified that the government has not taken any view on disinvestment of its equity on SAIL. However, he added that in his capacity as Steel Minister, he would take up the issue with concerned department so that iron ore exports are restricted and its reflection falls in future steel policy of the government.

He urged steel producers to ensure that they maintain a complete transparency on steel prices and other commercial related matters. “Information on prices of various steel products, along with their availability in various regional markets must be regularly updated on their websites and published through local and regional language newspapers. All major steel producers must ensure that steel products of common use must be easily available to the common man, in all locations of the country under a reasonable and transparent price regime.

“We have chalked out the action plan for the next 100 days with a focus on achieving the target of 124 million tones of capacity by 2011-12 with special focus on the modernization and capacity expansion programmes in the leading steel PSUs. Apart from that, we propose restructuring, reorganizing and amalgamating the PSUs for achieving economies of scale and vertical integration along with raw material security. We also propose to facilitate acquisition of mining leases, environmental and forestry clearances in consultation with the state governments, the other economic ministries and related agencies”, said the Minister.

Speaking on the occasion, Steel Secretary, Mr. Pramod Kumar Rastogi hoped that steel sector would record a good growth in current fiscal. In the month of April 2009, domestic steel production grew by 3.7% which fell to 1.1% in the month of May 2009. “However, the growth rate increased to 5.3% in the month of June and is an indicator that henceforth it would continue to grow. Average growth rate of steel production between April-June 2009 works out @ 3.4%. As regards to steel consumption in the month of April, the growth in steel consumption grew by 0.1% as against 7.5% in May 2009 which came down to 3.8% in the month of June. In April-June, the steel consumption recorded a growth rate of 5%. Steel imports grew @ 21% in the month of April 2009 which fell by 23% in June 2009 in which India imported 5.6 lakh tones of steel”, said Mr. Rastogi.

In his remarks, Mr. Sajjan Jindal, President ASSOCHAM complimented the Steel Minister for announcing the policy decision of the government as per which the iron ore exports would be discouraged and the government would only encourage exports of such ore by value addition. He described the decision a landmark one and said it would best serve interests of India.

Among others steel stalwarts that spoke on the occasion exuding confidence that steel sector would do well despite meltdown included Mr. B. Muthuraman, Managing Director, Tata Steel, Mr. S K Roongta, Chairman, SAIL, Mr. B K Bishnoi, Chairman, ASSOCHAM Committee on Steel & CMD, Rashtriya Ispat Nigam, Mr. Arvind Mahajan, ED, KPMG, Mr. S. Narayanan, Partner, IBM India and Mr. D S Rawat, ASSOCHAM Secretary General.

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