

# Steel industry urges govt to tackle iron ore shortage

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At least three steel-industry bodies have written to the Steel Ministry over the last one month requesting it to tackle a 50-million-tonne shortage of iron ore.

The industry has sought resumption of auction from SAIL's mines in Jharkhand; resumption auction process of lapsed mines in Jharkhand; improving performance of already auctioned mines in Odisha and resumption of operations of RINL of OMDC, among others.

A cap on export of low grade iron ore fines have also been sought so as to enable beneficiation. India's iron ore exports have been steadily rising since China opened up, earlier this year, and the Centre withdrew an export duty in November 2022. The letters, reviewed by *businessline*, mention that there is scope of improving iron ore availability if SAIL sells the 60 mt of low-grade mineral lying unutilised across two of its captive iron ore mines including 32 mt at Gua mines and 28

mt at Kiriburu/ Megathaburu. The fines there have an iron content of 58-60 per cent.

The industry associations have also said auction process for transfer of eight-odd iron ore mines is "yet to resume" in Jharkhand. Auctions "at the earliest" would lead to an estimated capacity addition of 10.6 mtpa (million tonnes per annum).

## ODISHA MINES

Kolkata-based Steel Re-Rolling Mills Association of India also referred to Odisha-based mines which are lying unutilised. These mines have either not begun operations or are operating much below their estimated capacity limits, it stated. At least four mines lease expired for three mines and dispatch lower than approved capacity for the fourth have been mentioned, with a combined estimated capacity of 26.66 mtpa.

Fastracking approval to allow Odisha Mining Corporation to mine up to 30 mtpa at the Guali iron ore mines, from the current 5.7 mtpa, will help ease supply shortages for the secondary mills, it said.