



## Mine Auction may Start by October-November



Mineral producing states are expected to start auction of mines bearing minerals such as iron ore, bauxite and limestone by October and November, Shri Tomar said.

"I feel mining auction will begin in October and November. I have spoken to all the Chief Ministers of the mineral producing states and the process has started there." The Minister also said the government is in the process of finalizing the guidelines of the District Mineral Foundation (DMF) as well as the miners' contribution to it and will notify them very soon.

"DMF rules are being framed and it will be done soon. The amount of contribution will also be decided soon," he added. On the issue of steel producers terming the recent hike in import duty for steel products as "ineffective", the Minister said the Ministry's effort is to see how it can protect the industry. "On this, we keep in touch with the industry as well as the Ministries concerned from time to time," Tomar added.

Domestic producers are complaining that the recent hike of 2.5 per cent on import duty on steel products will not help the industry as this will be offset by China's move to devalue the yuan on demand by domestic aluminium producers on hiking import duty due to adverse impact from cheap Chinese imports, Tomar said. "Industry thinks from its perspective and the government thinks from its own. Our effort is to coordinate with all stakeholders and take a decision."

Domestic aluminium producers have been urging the government to increase the import duty on the metal as the global prices is at record low and China is exporting the metal at very cheap rates, which is adversely impacting the sector in the country.

Asked on the government's take on the Posco issue, Tomar said that since the Mines and Minerals (Development and Regulation) Amendment Act, 2015 has been passed, Posco will now have to bid for mines auction, in value addition."

## China Steel Plant to be Affected by India's Import Tariff Hike : MOEA

A decision by the Indian government to increase import duties on certain steel products is expected to adversely affect the operations of Taiwan-based China Steel Corp.'s plant in India, the Ministry of Economic Affairs (MOEA) said.

The company's production base in the state of Gujarat, is expected to suffer higher operating costs as imported steel products will become more expensive after the tariff hike, the MOEA said.

Effective August 12, India's import duties on steel bars and certain hot-rolled steel plates were increased 2.5 percentage points to 12.5 percent and 10 percent, respectively, the MOEA said.

It was the country's second tariff hike on steel products since mid-June, as it has been trying to protect its steel industry by preventing foreign exporters from undercutting local businesses, the ministry said.

In addition to the tariff hikes on steel bars and hot-rolled steel plates, the Indian government has raised import duties 2.5 percentage points on a wide range of metal products such as copper, nickel, lead, zinc, aluminum, and tin. China Steel's plant in Gujarat launched commercial production on January 12, featuring an annealing and coating line, and is aiming to roll out an annual 200,000 tons of electrical steel, a type of value added cold-rolled steel.



Described as the first stage of China Steel's investment in India, the project was launched in July 2012 and construction started in August 2013, with an investment of US\$237 million.

The MOEA said other Taiwanese steel exporters in India are also expected to feel the pinch of India's higher tariffs, which will erode their competitive edge.

In 2014, Taiwan sold US\$176.08 million worth of steel products to India, a 1.43 percent annual drop, while its market share fell to 1.54 percent from 1.73 percent the previous year.

The MOEA said it will continue to voice its concerns to the Indian government about the higher import duties and will push for a bilateral free trade agreement to eliminate such trade barriers.

Currently, China, South Korea and Japan are three largest steel exporters to India, with a combined 46.77 percent share of the market. Since South Korea and Japan have comprehensive trade agreements with India, they will not be affected by the tariff hikes, the MOEA said.

## Arun Jaitley Calls for Strengthening Steel Sector

Finance Minister Arun Jaitley said that the nation's steel sector needs to be strengthened and preserved, as consumption of the product will increase with the Indian economy growing.

Addressing a function, Jaitley said that adverse global cues in the steel sector are only a transient trend, and India has the strength to withstand global challenges. He also said that iron ore mining capacity needs to be expanded to bring down raw material prices.

The challenges and crisis in the sector have to be dealt with appropriate solutions, he said, adding that the sector needs to be revived and its non-performing assets which are locked in with banks need to be activated.



Shri Tomar said his ministry is committed to promote steel industry and every step will be taken to boost it.

India is the third largest steel producing country in the world.