

Policy on cheap iron ore within a month

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The government is working on a policy initiative to ensure the availability of iron ore at a cheaper price and will come out with details within a month.

The development comes at a time when the steel sector is reeling under the impact of high raw material costs.

“What policy steps we need to take to ensure that iron ore is plentifully and cheaply available is something which we are working on and there could be various formulations to that,” an official privy to the development said.

“We are examining those and hopefully in a month or so we would be able to say that these are recommendations,” the official said,

adding that “Niti Aayog has been mandated to examine that. They will examine that and come and give us the suggestions”.

As a basic principle “...prices of raw material resources should be cheap because that gives us (steel ministry) a competitive advantage because we are involved in many schemes,” the official said. NMDC is the country's single-largest iron ore producer.

Steel minister Chaudhary Birendra Singh had earlier said an expert group that would be formed by the government to study sale of iron ore by NMDC will also analyse the mining giant's ore pricing and auction. NMDC has raised the prices of higher grade iron (lumps) by Rs 100 per ton to Rs 2,325 per ton for the current month.