
CITU calls for allotting captive iron ore mines to RINL

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It is reported that Mr MK Pandhe president of Centre of Indian Trade Union, while making a fervent appeal for granting of captive iron ore mines to Visakhapatnam Steel Plant, said that the centre should evolve a national policy on utilization of mineral reserves and consider a ban on export of iron ores.

Mr MK Pandhe, while talking at a national seminar on Raw material Problem - Future of Vizag Steel said that "If the reserves are properly harnessed, the future of VSP will be bright." He added that there should be a debate on mining policy and felt that the potential of Vizag Steel was under explored due to denial of mining lease to extract iron ore in Prakasam district and other states.

He demanded that there should be ban on export of iron ore. Questioning the rationale behind exporting high grade iron ore, he said that Vizag Steel would need more iron ore as well as other minerals and it was the responsibility of the centre to ensure raw material linkage.

Mr Dhanraj president and Mr N Rama Rao general secretary of Steel Plant Employees' Union said that while all the other steel plants were spending less than INR 500 per tonne of iron ore, the Visakhapatnam Steel Plant was spending more than INR 2,000 per tonne due to the lack of captive iron ore mines. They added that "The plant is incurring INR 2,000 crore extra production cost per annum and with the doubling of capacity from 3 million tonnes to 6.3 million tonnes, the burden would rise to INR 4,000 crore roughly. The plant will be in no position to compete with others."

Mr PK Mishra director operations of RINL however said that as of now there was no raw material shortage as it had tied up with National Mineral Development Corporation for supply for next 4 to 5 years to complete its first phase of expansion. But he added that RINL is spending more on raw material as it had no captive mines like SAIL and TISCO.

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