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## Goa iron ore exports recovering as demand from China picks up

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BL reported that badly affected by worldwide recession in the H1 of the year, Goa's iron ore exports are slowly witnessing a recovery, raising hopes of touching the export figure of last year.

Though much of the credit for the recovery is given to revival of China's steel industry mid way during the year, thanks to a financial package by its Government, the Goan industry attributes equal significance to the Union Government's recent decision to scrap the duty on certain categories of iron ore exports, particularly the low grade ore. Around 80% of Goa's ore exports fall under low grade category.

As per report, Goa's exports last year reached 40 million tonne, which included 33.5 million tonne of Goan origin ore and the rest from neighboring States routed through Goa. Goa's last year's export turnover was put at around INR 6,500 crore.

The State's private sector exporters had last year reached exports of 37 million tonne. After fearing a near fall of around 30% during the current year, the Goa Ministeral Ore exporters Association, the body representing the iron ore exporters, now exudes confidence that they may reach last year's figure.

A top official of the GMOEA said that "There is a definite turnaround which has taken place, but we would keep our fingers crossed over how the situation would be by year end, as everything depends on how the performance continues during the last 3 months. If the current scenario of a pick up in the exports to China is sustained, we would reach the last year's mark."

He admitted that volumes of iron ore to China have picked up significantly. Sources in export companies said that while there has been a perceptible change in China's intake, the same cannot be said about Japan and some of the European markets.

Meanwhile, factors behind the sudden rush for iron ore export to China is believed to be a USD 50 billion bailout plan by Beijing and also on account of the fact that its steel industry has started importing iron ore as prices are at its lowest.

(Source from Business Line)

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