



WELCOME

to

NATIONAL CONCLAVE ON MINES AND MINERALS

4th July, 2016

**SECRETARY,
MINISTRY OF MINES,
GOVERNMENT OF INDIA**

“The vicious cycle of ore shortages lasted more than 4 years. The sector, now entering a virtuous cycle as abundant ore production of coal, iron ore and bauxite is leading to lower cost and higher utilization which combined with policy support as level playing field with cheap imports.”

- Research paper published by J.P Morgan on 16th June, 2016

Growth Drivers

- Overall growth of production of metallic and non-metallic minerals- 9% during 2015-16.
- Growth in production of major minerals (2015-16) :
 - Iron ore - 21%
 - Bauxite- 27%
 - Chromite - 33%
- Index of mineral production for April – May, 2016 has shown significant jump of 19%.

“My Government’s Intention to encourage investment in mining sector and promote sustainable mining practices to adequately meet the requirements of Industry without sacrificing environmental concerns. The current impasse in mining sector, including, iron ore mining, will be resolved expeditiously, changes, if necessary in the MMDR Act, 1957 would be introduced to facilitate this”

- Hon’ble Finance Minister presenting the first budget of new government

Salient features of MMDR Amendment Act, 2015

- Auction to be sole method of allotment
- Removal of discretion
- Lease period of 50 years
- Safeguarding the interests of affected persons through provision of District Mineral Foundation
- National Mineral Exploration Trust (NMET) for encouraging exploration and investment
- Stronger provisions for checking of illegal mines

Subordinate Legislation

- All Subordinate legislation notified
- Except **Atomic Minerals Rule** and **The Minerals Conservation and Development Rules**.
- Atomic Minerals Concessions rules 2016 to be released today.
- Blocks having atomic minerals less than the threshold limit will be available for grant to the private sector
- Atomic Mineral Directorate has identified blocks totaling about 1000 sq. km

Status of Auction

- 7 blocks of major minerals successfully auctioned
- 32 blocks under process of auction
- By the end of year 2016, minimum 50 blocks likely to be allotted through new regulatory framework

National Mineral Exploration Policy

- The policy cleared by Cabinet last week is being unveiled today
- 100 blocks of 100 sq. km. each already identified to be allotted
- SBI CAP working out the modalities for allotment of blocks through competitive bidding process
- Market response to NMEP, despite BREXIT ripples, witnessed a jump of over 19% in the share prices of the mining companies

Exploration

- To carry out **aero-geo-physical survey** of nearly 8 Lakh Sq. Km of obvious geological potential (OGP) area.
- To begin by the end of this year with completion time of 3 years.
- More than 6,000 geological reports digitized are in the process of being put up in public domain.

Skill Development in Mining Sector

- To adopt international best practices for efficiency gains
- Adaptability to new technology will be possible only through skill development
- To align the mining sector with the national objective of skilling India announced by Hon'ble Prime Minister
- SKILL PLAN for mining sector to be launched today

Pradhan Mantri Khanij Kshetra Kalyan Yojna

- Today we are launching 5 projects of Chattisgarh State to be financed under Pradhan Mantri Khanij Kshetra Kalyan Yojna
- Pradhan Mantri Khanij Kshetra Kalyan Yojna is implemented from DMF funds.
- Once this scheme is fully geared up, this will likely to transform the areas where mines are located, because huge amount of will be spent in development of mining rich areas.

Challenges of the Transition Phase

- Transitional phase - new era of regulatory framework with the amendment of MMDR Act
- Challenges for the industry and for us
- Large number of leases closed due to renewal issues at the State level and many yet to be started due to other reasons, like environment and forest clearance
- Issues related to Section 10A(2)(c), where 2 years time limit is ending in Jan, 2017

Challenges of the Transition Phase

- Court cases by industry with lapse of all pending application at the time of amendment.
- To resolve these issues, we are following up States & Ministry of Environment & Forest.
- Ministry will continue to extend support in whatever manner it is required.

Sustainable Development Framework “Star Rating”

Facilitate mining industry

- To comply with various statutory compliance & adopt best practices,
- To upgrade their compliance status in a time bound manner,
- **We will now present you a 2 minute video which will explain briefly about this good governance initiative**

Video

Illegal Mining

- **Serious problem of illegal mining which is prevalent specially in certain parts of the country**
- To detect illegal mining across the country, a joint project undertaken with Bhaskaracharya Institute for Space Applications and Geo-Informatics (BISAG)
- Use of Space technology to detect incidents of illegal mining
- **Now, we will present you another 3 minute short film clip on this subject**

Video

Way ahead

- The new regime of reforms being initiated by the Ministry will –
 - facilitate greater participation of private sector
 - enable conducive climate for carrying out mining in India.
 - bring about various required transformational changes in the mining sector.