



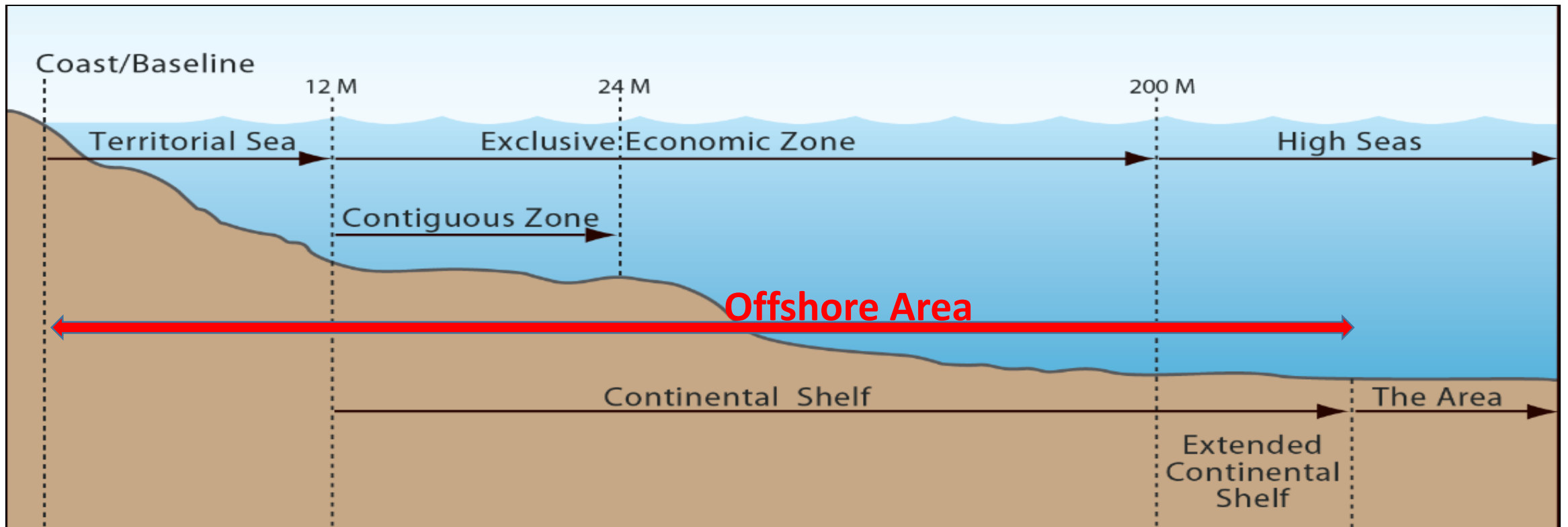
सत्यमेव जयते
MINISTRY OF MINES

3rd National Mining Ministers' Conference

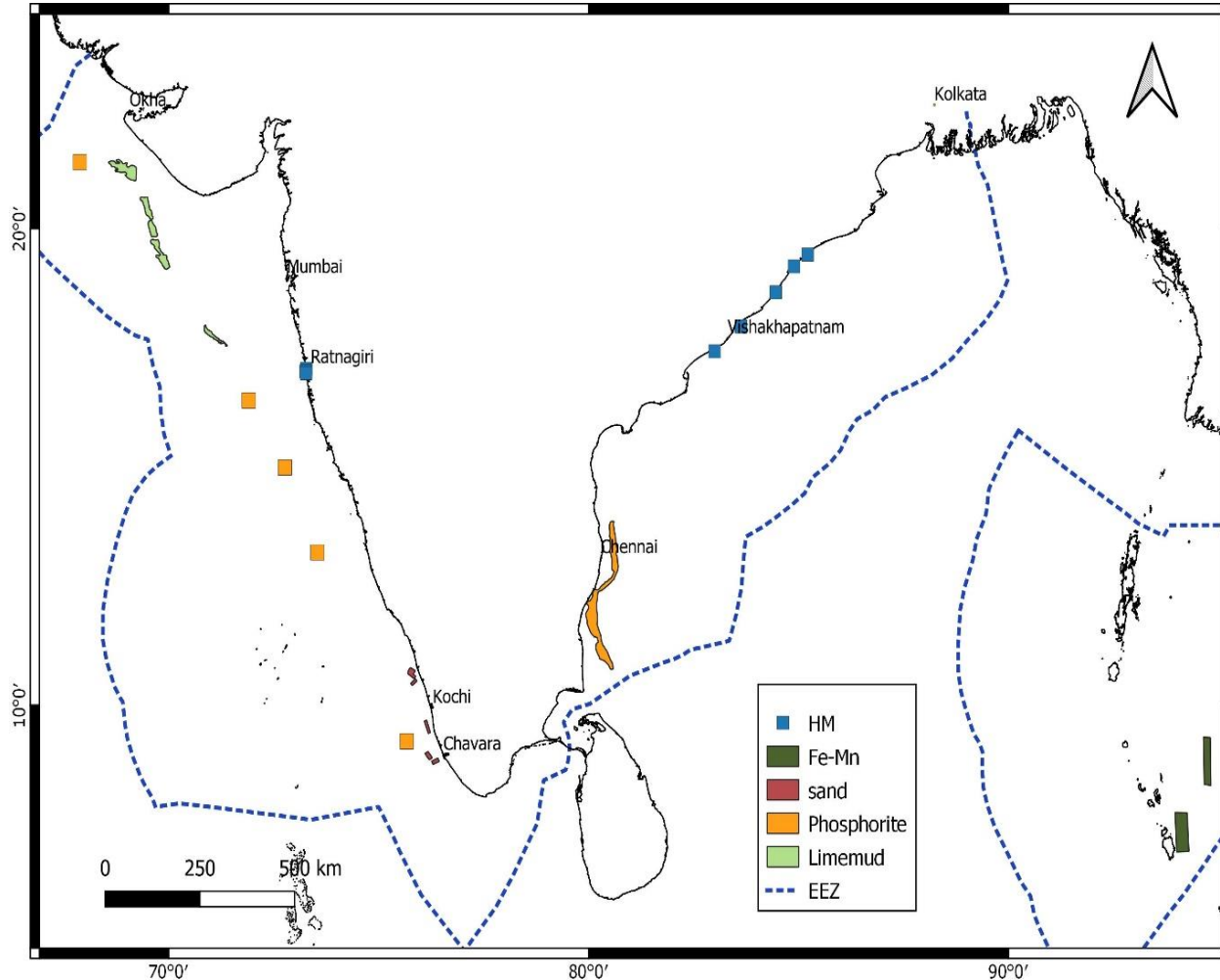
Offshore Mining: Facilitation Role of Coastal States

20th January, 2025

- ❖ **Article 297(1) of the Constitution of India** - All lands, minerals and other things of value underlying the ocean within the territorial waters, or the continental shelf, or the exclusive economic zone, of India **shall vest in the Union** and be held for the purposes of the Union.
- ❖ India has approx. 8000 km long coastline covering 9 coastal states and 4 UTs. India's EEZ is over 2 million sq.km.

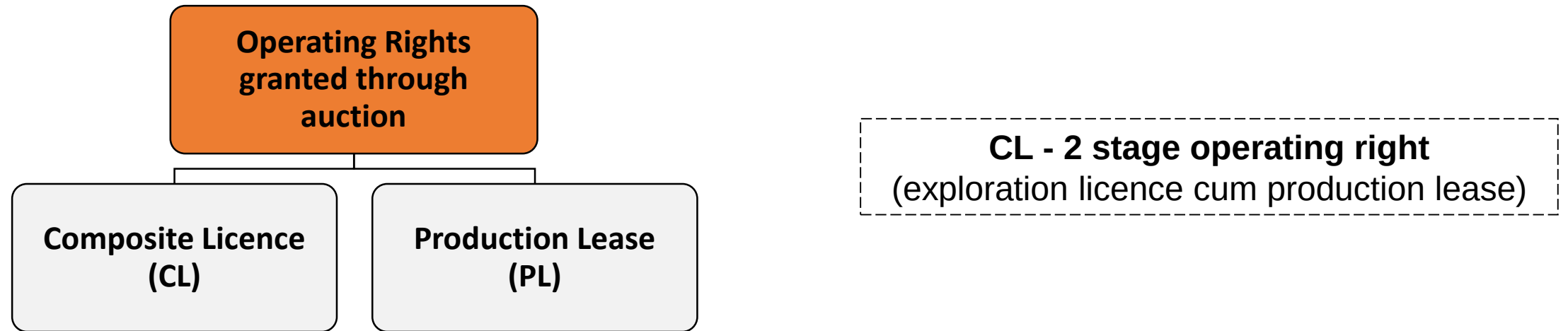


- ❖ OAMDR Act provides for development and regulation of mineral resources in the territorial waters, continental shelf, exclusive economic zone (EEZ) and other maritime zones of India.
- ❖ The Act came into force w.e.f. 15.01.2010; however, no mining activity has been undertaken in the offshore areas till date.
- ❖ The Act applies to all minerals in the offshore areas **except mineral oils and hydrocarbons**.
- ❖ The Government has recently amended the OAMDR Act in August 2023.



Key Amendments in the OAMDR Act in 2023

- ❖ The amended OAMDR Act has introduced **auction process** as the method of allocation of operating rights in the offshore areas
 - ❖ All applications received prior to date of commencement of the amendment Act shall be ineligible



- ❖ Operating rights to be granted only to Government, Government Companies and Corporations in case of **atomic minerals** having grade equal to or greater than the threshold
- ❖ Established Offshore Areas Mineral Trust to be utilized for exploration, mitigation of adverse impact of offshore mining, disaster management, research, interest and benefit of the persons affected, etc.

Offshore Mining

**OAMDR Act
amended in 2023**

5 Rules notified

Royalty rates fixed

13 blocks identified

**7 Polymetallic
nodules**

Andaman
Sea

**3 Construction
sand**

Kerala coast

3 Lime-mud

Gujarat
Coast

Auction launched on 28th Nov. 2024

Last date of submission of bids – 27 Feb. 2025



Raw lime mud

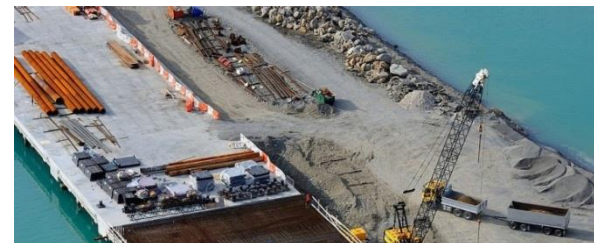
3 Lime mud blocks
Off Porbandar
Gujarat coast



3 Construction sand
Blocks Off Kollam
Kerala Coast



7 Polymetallic nodules
and Crusts Blocks
Off Great Nicobar Island



Marine/ Sea Mining in the World



THE NETHERLANDS

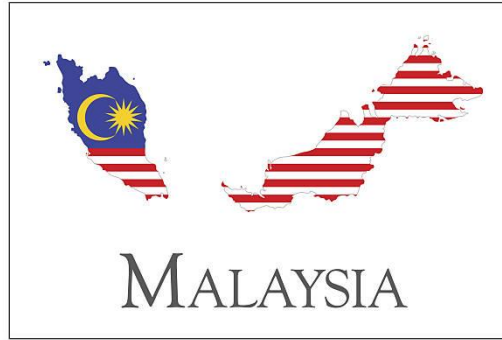


SWEDEN



THE UNITED KINGDOM

Construction Sand/
Aggregate



MALAYSIA



THAILAND



INDONESIA

Tin



SOUTH AFRICA

Diamond



NAMIBIA

- Only few countries undertake marine mining, that too near the shore. Deep sea mining not permitted.
- No mining of Polymetallic Nodules and Limemud anywhere in the world. India to be the first country to mine them.

Rules framed under OAMDR Act

SN	Rules	Notified on	Purpose
1.	Offshore Areas (Existence of Mineral Resources) Rules, 2024	06.06.2024	Norms of exploration and assessment of mineral resources in offshore areas
2.	Offshore Areas Mineral (Auction) Rules, 2024	14.08.2024	Terms and conditions and process of auction for granting operating rights such as Production Lease and Composite Licence.
3.	Offshore Areas Mineral Trust Rules, 2024	09.08.2024	Provide for the management, utilization, and governance of funds collected under the Offshore Areas Mineral Trust (OAMT)
4.	Offshore Areas Operating Right Rules, 2024	16.10.2024	Regulate the operational aspects and obligations of operating rights holders in offshore areas
5.	Offshore Areas Mineral Conservation and Development Rules, 2024	31.12.2024	Conservation and systematic development of minerals in the offshore areas and for the protection of environment

Benefit of Offshore area mining for the States

1. Mining, Processing & Downstream Industry Development

- Offshore mining will provide valuable raw materials that serve as essential inputs for several industries.
 - **Lime mud** – cement, steel plant, chemicals & pharmaceuticals.
 - **Polymetallic nodules** contain precious metals like nickel, copper, cobalt, and rare earth elements, which are crucial for electronics manufacturing, electric vehicle (EV) battery production, and renewable energy technologies.
 - **Construction sand**, an essential material for building infrastructure, is in high demand due to urbanization and infrastructure projects.

Offshore sand will provide a sustainable source of sand for construction purposes, reducing reliance on land-based sources that may be depleting or environmentally damaging.

- Will encourage the establishment of local processing facilities and the growth of downstream industries

Benefit of Offshore area mining for the States

2. Direct & Indirect Employment

- **Direct Employment:** Jobs will be created in activities such as resource exploration, resource analysis, setting up mining infrastructure, extraction and processing.
- **Indirect Employment:** The sector will drive employment in related industries such as logistics (transporting extracted materials), transportation (ships, trucks, and rail), and marine technology (innovation in machinery, tools, and equipment).

3. Infrastructure Development

- **Ports:** Facilities for unloading and shipping extracted materials need to be developed or upgraded to handle the increased output.
- **Transportation Networks:** Roads, rail, and shipping lanes must be expanded or enhanced to move raw materials from mining sites to processing plants and ports.
- **Processing Facilities:** The construction of local processing plants to reduce dependence on imports, while also boosting the domestic industry.

Benefit of Offshore area mining for the States

4. Offshore Areas Mineral Trust

- Will ensure availability of funds for exploration, mitigation of adverse impact of offshore mining on environment, disaster relief and research.
- Trust will also work for the interest and benefit of the persons affected by exploration or production operations, such as fishermen communities.

5. Economic Diversification

- **Reduces Vulnerability:** By diversifying the economy, offshore mining mitigates risks associated with the volatility of other sectors (e.g., climate impacts on agriculture or global tourism trends).
- **Marine-Based Economy:** The growth of marine-based industries, such as underwater mining, marine biotechnology, and offshore energy (wind or tidal), contributes to a diversified and sustainable economic model.
- **Advanced Manufacturing:** As the extraction of high-value materials like rare earth metals increases, the economy transitions toward advanced manufacturing, tech innovation, and energy sectors, paving the way for a more resilient future economy.

Benefit of Offshore area mining for the States

6. Technology Development

- **Advanced Technologies:** Offshore exploration often requires cutting-edge technology, which can drive innovation and technical expertise within the state.
- **Knowledge Transfer:** Expertise from international mining companies can be transferred to local industries, fostering long-term development in sectors like engineering, science, and technology.
- **Research & Innovation Centers:** Establishing research hubs and marine technology innovation centers can promote further breakthroughs in extraction and processing.

7. Export Potential and Foreign Exchange Earnings

- **Strategic Minerals:** By becoming a reliable supplier of these strategic minerals, such as nickel, cobalt, etc. India can position itself as a major player in global markets.
- **Foreign Direct Investment (FDI):** States rich in offshore resources attract international companies, leading to an influx of foreign investment, technology, and expertise.
- **Enhanced Trade Competitiveness: Long-Term Revenue Streams:** Beyond immediate exports, offshore mining offers a sustainable source of revenue for State through long-term contracts and steady demand for critical materials, benefiting the national economy.

Support Required from the States

- **Infrastructure Development Support:**
 - **Port and Transportation Infrastructure:** Facilitate the development or upgrade of necessary ports, shipping routes, and inland transportation networks to support offshore mining activities.
 - **Processing & Storage Facilities:** Support the establishment of local processing units by providing land, tax incentives, and access to basic infrastructure.
- **Stakeholder Engagement and Coordination:**
 - **Government-Industry Collaboration:** Foster regular communication between government bodies and offshore mining companies to ensure a smooth flow of information and resolve any regulatory or operational issues quickly.
 - **Community and Environmental Stakeholder Engagement:** Ensure open dialogue with local communities, environmental groups, and other stakeholders to address concerns and gain social license to operate.

Thank You

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