

M & M Monthly

Newsletter from Ministry of Mines

May, 2016
Vol. 1 No. 05

Market Scenario:

RBI's latest rounds of forward looking surveys indicate an improvement in the overall business situation, driven by a pick-up in capacity utilization and in order books – both domestic and external. These developments have improved the expectation of business conditions in the first half of 2016-17. Public investment in infrastructure sector, especially in roads and railways, is gaining strength. This in turn will propel the demand of minerals. Rising capacity utilization should also prompt private investment.

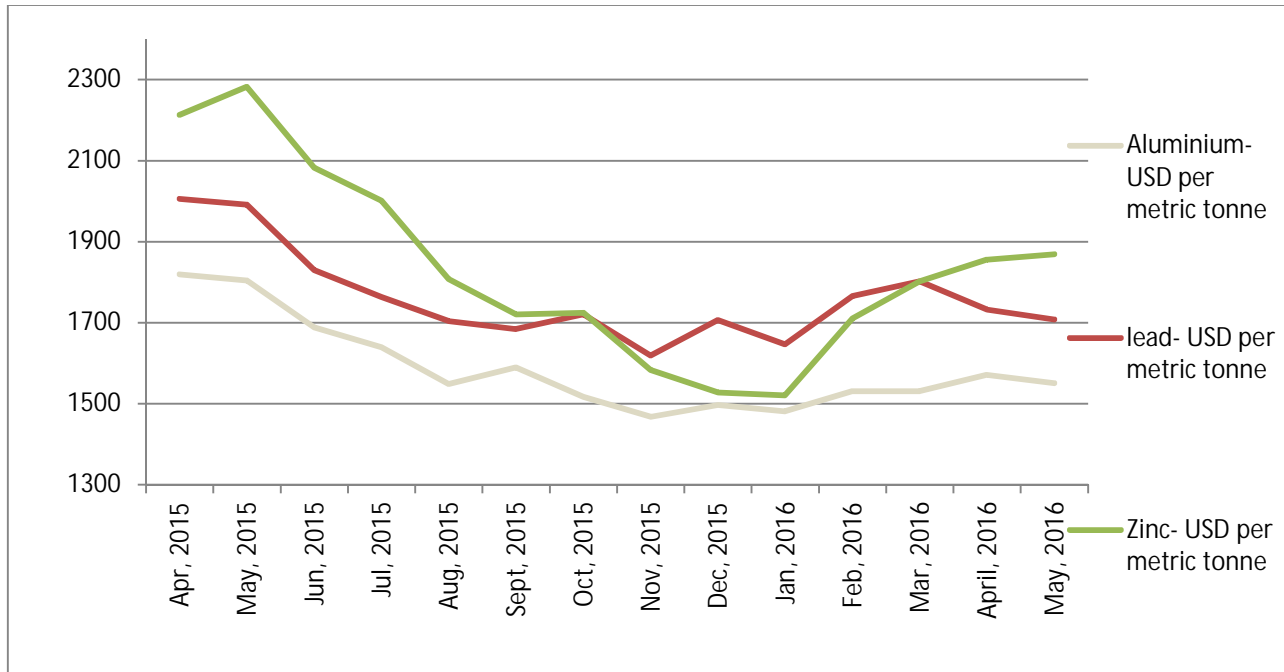
Performance of Mining Sector in May, 2016:

- The indices of Industrial Production for the mining sector (both fuel and non- fuel) in the month of April, 2016 stand at 123.6 with a corresponding growth rate of 1.4 percent as compared to April, 2015. However, the cumulative growth in the sector during April-March 2015-16 was 2.2 percent over the corresponding period of previous year. Index of Mineral Production for minerals under MCDR for April, 2016 was 140.3.
- The mineral production in India has continued to grow in year 2016-17 with 21.3% growth registered in its first month i.e. April, 2016. The real contributor to this growth has been Chromite (82.5%), Iron ore (54.5%), Copper Conc. (23.7%), Manganese Ore (13.5%) and Bauxite (9.4%) in the metallic segment and Phosphorite (12.5%) and Limestone (8.12%) in the non- metallic segment. With the consolidation of ore prices in the international market, in value terms also, production has registered a positive growth of 1.9%.
- The provisional value of production in April, 2016 was Rs 3377 crore. The estimated value of mineral production for the month of May, 2016 is Rs 3687 which is 1.9% higher when compared to May, 2015 and 9.2% higher when compared to previous month. This is mainly due to enhanced volume of production aided with slight improvement in the commodity prices. Volume and value of production figures as achieved during the month of April , 2016 is provided in the table below:

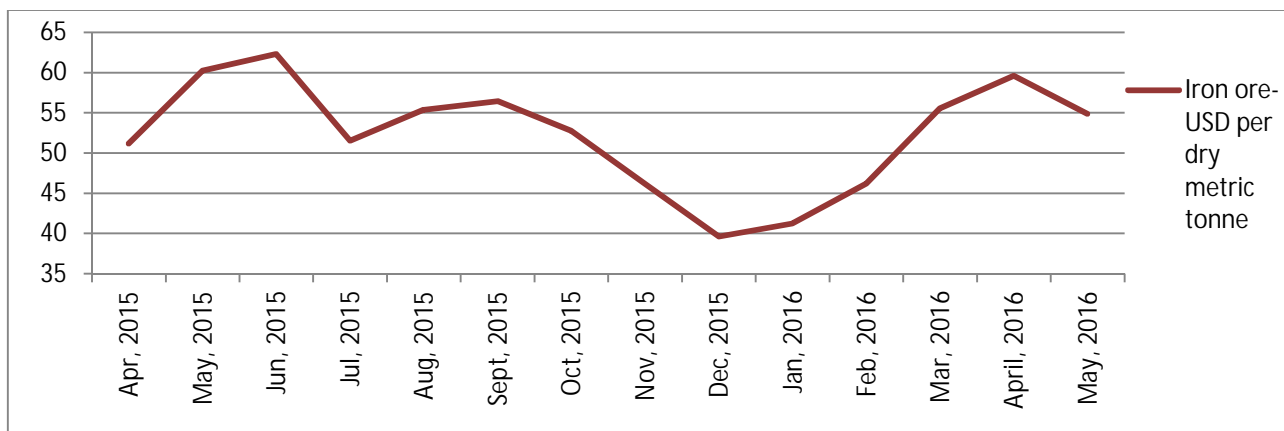
Production Figures Of April, 2016							
Value in Rs. Crores							
Minerals	Unit	Current year		Previous year		% growth in qty	% growth in value
		April, 2016		April, 2015			
		Qty.	Value	Qty.	Value		
All Minerals		473.951 9	3377.13	390.696	3314.25	21.31%	1.90%
Bauxite	Lakh MT	23.05	111.575	21.07	120.28	9.40%	-7.24%
Chromite	Lakh MT	2.5	136.92	1.37	146.33	82.48%	-6.43%
Copper Conc.	Lakh MT	0.12	51.84	0.097	43.79	23.71%	18.38%
Iron Ore	Lakh MT	169.87	2031.06	109.96	1957.32	54.48%	3.77%
Lead Conc.	Lakh MT	0.16	62.3365	0.21	66.85	-23.81%	-6.75%
Manganese Ore	Lakh MT	1.94	95.06	1.71	76.29	13.45%	24.60%
Zinc Conc.	Lakh MT	0.56	250.07	1.25	281.39	-55.20%	-11.13%
Other met. Minerals	Lakh MT	**	29.809	**	120.248		-75.21%
Total Metallic Minerals	Lakh MT	198.2	2768.67	135.667	2793.756	46.09%	-0.90%
Garnet (Abrasive)	Lakh MT	0.0389	2.118	0.04	3.47	-2.75%	-38.96%
Limestone	Lakh MT	274.87	558.57	254.22	482.37	8.12%	15.80%
Phosphorite	Lakh MT	0.81	30.026	0.72	15.58	12.50%	92.72%
Sillimanite	Lakh MT	0.033	1.8968	0.049	3.99	-32.65%	-52.46%
Other non Metallic	Lakh MT	**	15.7065	**	15.07		4.22%
Total Non- Metallic minerals	Lakh MT	275.751 9	608.47	255.029	520.49	8.13%	16.90%

the table excludes precious stones ** Not additive.

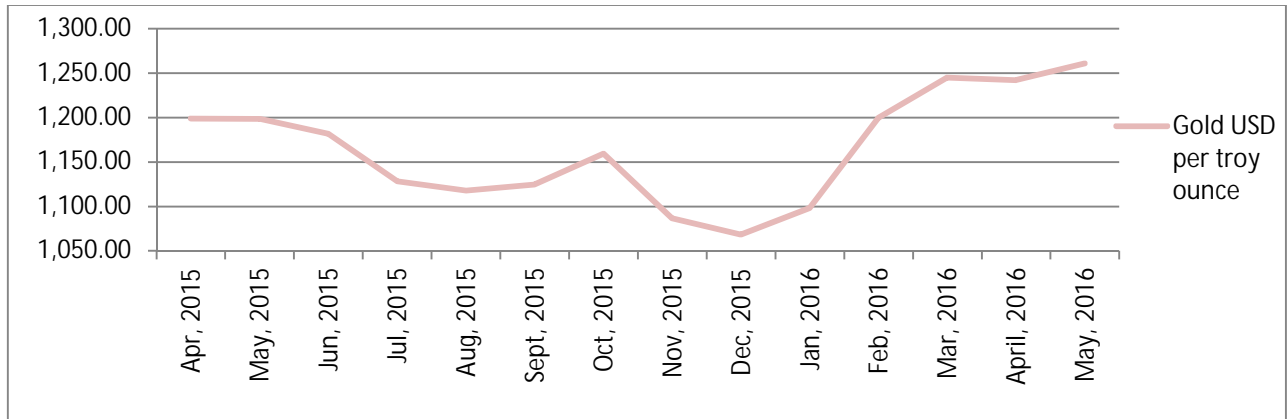
- If we look at the monthly fluctuation in prices of some major minerals like aluminium, lead, zinc, copper, etc., we can observe a huge decline in the past one year i.e., from April, 2015 to May, 2016, while some minerals like zinc, gold, etc have shown positive trend which can be seen in Annexure attached. Given below are the graphs depicting fluctuation in prices of minerals during the one and half year period from April, 2014 to May, 2016.



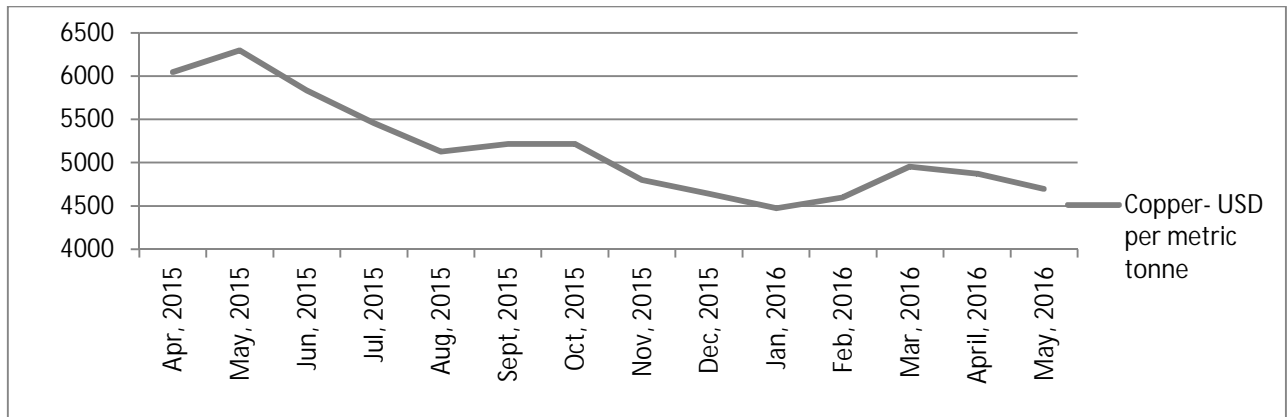
- The price of aluminium declined from USD 1571.23 per metric tonne in April, 2016 to USD 1550.63 in May, 2016 registering a decline of 1.3 percent. Similarly, the price of lead declined from USD 1732.27 per metric tonne in April, 2016 to USD 1707.8 in May, 2016, registering a decline of 1.4 percent. However, the price of Zinc grew from USD 1855.37 per metric tonne in April, 2016 to USD 1869.03 in May, 2016, registering a growth of 0.73 percent.



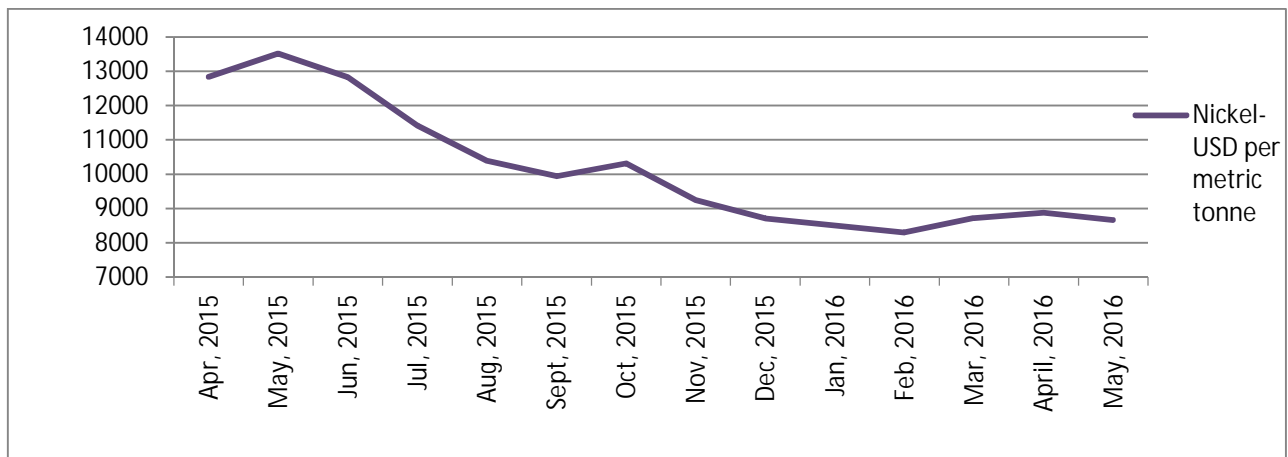
- The price of iron ore declined from USD 59.58 per dry metric tonne in April, 2016 to USD 54.85 in May, 2016, registering a slump of 8.62 percent.



- The price of Gold improved from USD 1242.26 per troy ounce in April, 2016 to USD 1260.95 in May, 2016, registered a growth of 1.48 percent.



- The price of copper declined from USD 4872.74 per metric tonne in April, 2016 to USD 4694.54 in May, 2016, registering a decline of 3.79 percent.



- The price of Nickel declined from USD 8878.86 per metric tonne in April, 2016 to USD 8660.35 in May, 2016, registered a decline of 2.52 percent.

Key Decisions & Achievements:

- States have been asked to review the status of pending cases which are otherwise saved under Section 10A (2) (c) and expedite the clearances within a stipulated time limit. In regards to that, a meeting was held under the chairmanship of Union Secretary (Mines) on 10th May, 2016 with all the state governments.
- After the constitution of Inter- Ministerial Group i.e. post- auction mining clearances and approval facilitator (PAMCAF) - To expedite various clearances/ approvals required after the mineral block is allocated through e- auction, first meeting was held under the chairmanship of Union Secretary (Mines) on 10th May, 2016 with the 4 states (Chhattisgarh, Jharkhand, Odisha and Madhya Pradesh) which have successfully auctioned 6 blocks so far. States were asked to track the realization timeline associated with various clearances of mineral blocks such as environmental & forest clearance, mining plan, land acquisition, etc of each of auction blocks. Ministry of Mines would develop a web- portal to monitor the progress of clearances.
- Star Rating Scheme- an initiative taken for implementation of Sustainable Development Framework (SDF) was notified on 23rd May, 2016. This scheme is designed to have a built in compliance mechanism for environment and forest safeguards and will help in recognizing good performers in the sector while encouraging all mining lease holders to strive for excellence.
- The 2nd ‘National Meet’ of the Ministers in-charge of Mining Department of the State Governments was convened under the Chairmanship of Hon’ble Union Minister of Steel and Mines, Shri Narendra Singh Tomar, in Jaipur on 27th May, 2016 to discuss the key issues pertaining to the mining sector in India like expediting the e-auction of major mineral blocks, setting up of District Mineral Foundation (DMF) across all states and implementation of PMKKKY, National Mineral Exploration Policy (NMEP), Use of space technology to curb illegal mining, system of mining plan preparation, certification and monitoring, star rating of mines, etc. Extending the reforms to minor minerals concession was the key message.

A tripartite agreement was signed among NMET, MECL and State Governments of Madhya Pradesh and Odisha, which would help in faster exploration of the geologically potential areas.

- Minerals (Transfer of Mining Lease Granted Otherwise than through Auction for Captive Purpose) Rules, 2016 was notified on 30th May, 2016.

- Madhya Pradesh notified four blocks (1 diamond block and 3 limestones) for auctioning on 4.05.2016. It is the first diamond block in the country notified for e-auction after the MMDR Amendment Act, 2015. The total reserves of diamond is 0.604 million tonnes.
- Under the NMET, so far around Rs 201 crores have been deposited and 13 mineral exploration project specific disbursement. In states of MP, Odisha, Maharashtra, Chhattisgarh, Karnataka and Jharkhand have been approved for implementation. The details of the projects are provided in the table below:

Sl. No.	State	Name of the Block (Location, District, State)	Mineral	Area of the Block (Sq. Km)	Work proposed in the block	Estimated cost of the project in Rs. lakh
1.	Odisha	Jumka-Pathriposhi Block	Iron	1.71	G-2	772.68
2.	Odisha	Purheibahal-Chandiposhi Block	Iron	1.35	G-2	265.33
3.	Maharashtra	Mandri-Panchala Block	Manganese	2.50	G-4	130.31
4.	Maharashtra	Lanjera-Futala Block	Manganese	8.00	G-4	148.98
5.	Chhattisgarh	Ranigaon-Gondaiya Block	Limestone	5.00	G-3	100.52
6.	Chhattisgarh	Nahardih-Madhaipur Block	Limestone	5.45	G-4	27.89
7.	Chhattisgarh	Sendurkhar Block	Bauxite	2.90	G-4	45.13
8.	Chhattisgarh	Saraipani-Dadar Block	Bauxite	0.80	G-4	44.66
9.	Madhya Pradesh	Ghumchihai Block	Limestone	5.00	G-4	57.75
10.	Madhya Pradesh	Naubasta-Kolard Block	Limestone	15.00	G-4	59.49
11.	Madhya Pradesh	Jamodi-Mahanna Block	Limestone	30.00	G-4	65.36
12.	Karnataka	G.R. Halli South Block, Citra-Durga Schist Belt	Gold	1.00	G-2	443.20
13.	Jharkhand	Karam (Karambi) Block	Limestone	1.0	G-3	130.86

- A series of meetings was held with the Ministry of Defense (MOD) for seeking relaxations on sharing of baseline geoscientific data of GSI in the public domain.

MOD after comprehensive evaluation and analysis has conveyed its decisions relaxing the norms for the sharing of this data. This includes data pertaining to geology, geophysics and geochemistry, both onshore and offshore on 1:50,000 scale. This is expected to attract investment in mineral exploration.

- Target vs. Achievement during the f.s.2016-2017 of Geological Survey of India (GSI) as on 31 May, 2016:

Scheme/Mission	Name of the Scheme/ Project/Programme	Target * (Apr'16 to Mar'17)	Achievement from April'16 to May'16
a) Ground Survey	i) Spl. Thematic Mapping (sq.km.)	9230	1
	ii) Geochemical Mapping (sq.km.)	1,37,000	203
	iii) Geophysical Mapping (sq.km.)	95,200	2313
b) Aerial Survey	iv) Multisensor /Aeromagnetic Survey (with Twin Otter (lkm)	60,000	2283 \$
	v) Heliborne Survey (lkm)	25,000	616 \$
	Parametric Survey within EEZ and beyond		
	1.Bathymetric Survey (lkm)-	10,000	1831 @
	2.Magnetic (lkm) -	10,000	1445 \$
	3. Swath Bathymetry (sq.km.)	42,000	0
	4.Seismic Survey (lkm)	5,000	1038 \$
	5. Gravity (l. km)	16,000	1038 \$
	6. Sub bottom profiling (l. km)	15,000	0
	vi). Systematic coverage within TW + EEZ (sq. km)	Nil	0
NATURAL RESOURCES	a) Large Scale Mapping (LSM)(sq. km.) including 214 sq. km of LSM for coal(M-IIB)	5,500	129.80
	b) Detailed mapping (DM) (sq. km.)	103	0.54
	c) Drilling (meter)	1,13,000	20180.60
	d)Preliminary mineral investigation within EEZ(sq.km)	25,000	249

GEOINFORMATICS	(Map, Publication, Information Technology, Core Library etc.) (in nos.)	35	All items initiated
FUNDAMENTAL AND MULTIDISCIPLINARY GEOSCIENCES	[Geotechnical, Earthquake Geology & Seismology, Geoenvironment, Glaciology, Geothermal, Polar studies etc.] (in nos.)	61	20
RESEARCH & DEVELOPMENT	Research (No. of Investigation including Deep Geol) (in nos)	49	5
TRAINING AND CAPACITY BUILDING	Training (in GSITI) No. of Types (No. of courses)	85	9 completed & 6 in Progress

*Target as per outcome budget 2016-17; \$ Spill over achievements; @ includes 1445 lkm of Spill over survey; # including 5094.35m of Spillover Drilling.

Mining Sector in News:

- The state- run firm NMDC signed a memorandum of understanding (MoU) with ISRO's National Remote Sensing Centre (NSRC), which will allow India's largest iron ore miner to undertake satellite based geological mapping for mineral exploration and a host of other related ventures. NMDC will establish remote sensing and GIS laboratory in Hyderabad.
- NMDC has introduced two breakthrough innovations in mining technology with an investment of Rs 1400 crore. The twin technologies, a 5 km long conveyor belt, one of its kind in Asia and a 'green' pellet plant are operational in iron ore fields of Kumaraswamy at Donimalai, Karnataka.
- Aluminium firm Nalco and Iranian Mines & Minerals Industries Development & Renovation Organization (IMIDRO) signed a MoU on 24th may, 2016 to jointly explore the possibility of setting up an aluminium smelter in Iran. The MoU was signed in the presence of Hon'ble Prime Minister of India.
- On May 19th, 2016 Hindustan Copper Limited (HCL) was named best metal company at the 2016 PLATTS Global Metals Awards held in London.