PM to chart core course

OUR SPECIAL CORRESPONDENT

New Delhi, June 4: Prime Minister Manmohan Singh has stepped on the gas to try and bring the economy — which hit the slowest pace in 9 years in the January-March quarter — back on the growth track. In a bid to boost investments, Singh has called a meeting on Wednesday to review the status of the infrastructure sector, where projects worth Rs 1.46 lakh crore are pending.

The meeting, to be attended by finance minister Pranab Mukherjee, commerce minister Anand Sharma and ministries related to the infrastructure sector, will assess the measures needed to remove environment and land acquisition hurdles.

The Prime Minister is likely to send a strong message to the stakeholders to give priority to the infrastructure sector as regulatory obstacles have pulled down growth to 6.5 per cent in 2011-12.

The government has said $1 trillion will be required in infrastructure during the 12th Plan (2012-17) of which 50 per cent are expected from the private sector. During the 11th Plan, investment in infrastructure was around $514 billion.

Ficci president R. V. Kanoria has said the slowdown in growth in investments is deeper for private companies and this trend must be reversed.

“We urge the government to look at measures such as providing accelerated depreciation and scrapping MAT for infrastructure projects as all of these would give a fillip to investment activity,” he added.

Some of the mega projects delayed over environmental and land acquisition disputes include the $12-billion Posco steel project and the $90-billion Delhi-Mumbai Industrial Corridor.

About 245 infrastructure projects are pending with the environment ministry. Of these, 136 are in mining followed by 77 in the building and construction sector; twenty-two are thermal power projects and 10 are hydropower projects.

The eight core industries, which have a combined weight of 37.9 per cent in the index of industrial production, registered a 2.2 per cent year-on-year growth in April 2012, marginally lower than the 2.3 per cent growth achieved the previous year.

While the contraction was spread across all eight industries, coal production declined the most in April, falling by 35 per cent since March. Growth in the cement and refinery industries dropped 10 per cent from the previous month.

The meeting comes close on the heels of a decision by the Prime Minister to set up an investment tracking system to monitor projects of Rs 1,000 crore and above.

The government has also set up a high-level inter-ministerial board under commerce and industry minister Anand Sharma to boost the manufacturing sector.

Pharma FDI

The finance ministry has convened a meeting with the pharma industry on Thursday to work out a mechanism for the fast clearance of FDI proposals.

Though 100 per cent FDI are permitted in the pharmaceutical sector, the proposals need the approval of the Foreign Investment Promotion Board under the finance ministry.
Central Empowered Committee probing illegal mining rules out resuming operations

‘Mining in K’taka only after IBM nod’

PRIYADARSHI SIDDHANTA
NEW DELHI, JUNE 5

The Supreme Court-appointed Central Empowered Committee (CEC) to probe illegal mining in Karnataka has ruled out resumption of mining operations in the state until mining plans in category A and B mines in Bellary, Tumkur and Chitradurga districts are vetted by the Indian Bureau of Mines (IBM).

In a letter on May 29 to mines secretary Vishwapati Trivedi, the CEC said pursuant to the Supreme Court order on April 13, preparation and implementation of relief and rehabilitation (R&R) plans in respect of leases of 50 hectares and above in category A and B mines in these districts have been undertaken by the Karnataka government through the Indian Council of Forestry Research and Education (ICFRE). The R&R plans are being executed under the supervision of the CEC. “As per the information provided to the CEC in respect of a large number of mining leases, the period of the approved plan/scheme has either expired or nearing expiry. Therefore, the mining operations in respect of such leases can be allowed to be re-started only after their mining plans are approved by the IBM,” the CEC said in the letter.

The Supreme Court, accepting the CEC recommendations on mining in Karnataka, had on April 13 directed that a ceiling of 25 MT be imposed on iron ore production in Bellary and 5 MT in Chitradurga and Tumkur districts.

The CEC has classified the mining leases in the three districts into three categories: Category A comprises 45 mines where there is no illegality. For such mines, the committee will give suggestions on commencing preparatory work and building stockyards.

Category B comprises 72 leases. Here, the CEC found illegal mining with mining pits extending 10 per cent beyond sanctioned areas and in areas where waste dumps are outside the lease.

Category C comprises 49 leases with flagrant violations of the Forest Conservation Act and mining activities in other lease areas.
AUSIE SPANNER IN GVK's $6.4-BN COALMINE PROJECT

SYDNEY: The GVK Group suffered a setback on Tuesday with the Australian government halting work on the $6.4-billion ($5.684-crude) Alpha coal mine project in Queensland till it gets a nod from the Federal environment department. The project got approval from the state government last week. The project is owned jointly by the GVK Group and Hancock Prospecting, run by the world's richest woman, Gina Rinehart. IANS
Indonesia eyes coal export curbs, tax

BY FAYEN WONG & FERGUS JENSEN

INDONESIA

Indonesia plans to curb coal exports and is considering a tax on shipments of the mineral, government officials said on Monday, pushing shares in the country’s leading coal miners down by more than 13%.

Indonesia has introduced a series of regulations aimed at squeezing extra state revenue from the mining industry, including limiting foreign ownership and a 20% tax on exports of unprocessed minerals.

But the government has so far steered clear of coal exports, worth $27 billion (around $1 trillion) last year, or 13% of the country’s total.

Any coal export curb is not likely to boost prices in the short-term for a well-supplied market, but could push up costs for the fuel in the long run as it would force Indonesia’s top coal buyers India and China to seek alternatives. “Indonesia is the biggest supplier of seaborne thermal coal and if everyone has to pay 20% more to get Indonesian tonnes, it will have a real impact for sure,” said Lachlan Shaw, commodities analyst at Commonwealth Bank of Australia in Melbourne.

Energy and minerals minister Jero Wacik said on Monday the country needed to conserve coal for domestic use, in a G-20 economy seeing strong growth and surging demand for power generation.
Exhausting the earth’s resources? Not so fast

Miners see planet as bottomless pit, dousing earlier fears of shortfall

By John W. Miller

Is the earth running out of minerals? A |quantum and widely publicized proposal to mine asteroids for nickel, platinum and other key ingredients for minerals is based in part on the notion that we face scarcity in the not-too-distant future.

How much is a matter of debate, as is the capacity of newer, radar and drilling technology to find new resources—which may not match civilization’s ever-growing appetite for metal-based products from replacement knee joints and all pipes to catalytic converters and iPads.

Innovators led by Google Inc. Chief Executive Larry Page and film director James Cameron in April launched Planetary Resources Inc, based in Bellevue, Washington, with a message that the Earth’s resources could soon fail to meet the technological needs of a population spiraling toward 10 billion.

Caterpillar Inc., one of the world’s largest makers of mining equipment, has already joined with the National Aeronautics and Space Administration to design space-mining gear. “We looked at autonomous operations of equipment as being the same type of technology that could be used on the moon as well as in a mining application,” said Michelle Mushough, manager of intelligence technology services at Caterpillar.

But firms that make their money mining the Earth is one big, practically inexhaustible mine, with just as many unexplored corners as outer space. “We think there are 10,000 more years of minerals left for civilization,” said Andrew McNaught, a geologist and RHP Billiton PLC’s chief executive for numerous metals. “Civilization will change, of course, and there will be different minerals involved, but 10,000 more years.”

Some minerals are more plentiful and some parts of the world more endowed. The Earth has plenty of potassium—618 billion years worth, which ensures centuries more of fertilizer-making, and 590 years of known iron ore reserves, according to U.S. Geological Survey estimates. Overall, the Earth has about 138 years of copper but just a small proportion of it in Australia, which could supply the planet for only a few years, according to the U.S.G.S.

South America, on the other hand, has roughly half of all copper reserves left for global supply. And those estimates, regardless of what mining companies have concrete plans to get at numbers that are significantly lower than the cousin quantities of reserves buried throughout the Earth.

If anyone was interested in stashing the oceans, they could recover 10 million tons of gold, worth $500 trillion, according to Chinese producers. In 1988, German chemist Fritz Fischer, a Nobel Prize winner, thought it possible to extract enough gold from oceans to pay his country’s debt after World War I. He was unsuccessful at even convincing governments to fund his idea.

“It’s unreasonable to think we’ll need to rely on asteroids from space to supply the Earth with metals,” said Scott McLeese, chief executive of Teck Metals Corp., a Sudbury, Ontario-based mining company. He said the idea isn’t new and is to be expected that he might continue: “The Earth’s mineral bounty is immense, and it will continue to provide for millennia.”

Some elements are everywhere. To determine whether a deposit has enough of a mineral to merit mining, companies use satellite-based geological mapping and drill for core samples. A deposit worth mining is qualified as a “resource.” Otherwise, it’s tagged “reserves.” In most cases, reserves contain minerals exceptionally concentrated in one place—well above what scientists and geologists call “crustal abundance,” the frequency of the mineral in the specified rock. Copper, for example, must be found at levels of 50 times its normal level of 0.0006% of average crustal abundance in order to be worth mining; gold, 1,000 times. Such concentrations are usually created by geological events, such as volcanic eruptions and tectonic plate shifts that raise hot metal-bearing fluids into that air, accessible parts of the Earth’s crust, erosion, or massive sedimentary movements.

The crust is between three and 30 miles thick. On most land masses, only the first half-mile has been mined. “It is only the surface that has been scraped for metals around the world,” said Magnus Ericsson, a senior partner at Raw Materials Group, a Swedish-based consultancy.

That tip of the iceberg that lends itself some economic estimates. I.E. Tilman, an economist at the Colorado School of Mines, has estimated that “at current rates of consumption the copper and iron from the earth’s crust would last 100 million years and 2.5 billion years.” That, however, assumes that cost of extraction is no object.

Mining companies say there are many largely unexploited regions of the globe, including Greenland, the Canadian Arctic, Mongolia and the entire seabed.

Miners can use underwater robots to dig up deposits left behind from “black smokers,” which are little towers of metallic sulfides that form after magma forces fluids with copper, gold and other metals through the seafloor.

The ocean floor off the coast of Papua New Guinea is expected to be mined for copper by the end of the decade.

Back on land, mining-company engineers say new technologies, such as disallowing of minerals and sucking them up through a pipe or extracting ore with high-powered water jets, could increase recoverable reserves.

The most compelling case for asteroid mining is for a yet-undefined element that turns out to be not abundant in the earth’s crust and becomes suddenly valuable because of some future technological advance.

Robin Thimney, chief executive of Kaltarney Resources Inc., a Canadian producer of potash, a mineral salt used as a fertilizer, sees a case for asteroid mining only if “something happens and we have to find large quantities of something we don’t have, for a new kind of fuel cell or something.” He points to tritium, a hard, white silvery metal in the platinum group usually found in greatest concentrations where metamorphic events heat the Earth. Only three tons are produced a year. A new fuel source requiring plentiful iodium would boost prices and create an economic case for mining a deposit in an asteroid, he says.

Eric Anderson, a co-founder of Planetary Resources, the space-mining startup, said he has already figured out how to mine a 396-foot-long asteroid, which he estimates contains 330 tons of platinum, at an expense of $431 an ounce, slightly higher than the cost of mining platinum on Earth. Possible methods range from robots to wrapping the asteroid in a bag that would dissolve the minerals.

Will Boehm, an executive at Perth, Australia-based Aquarius Platinum Ltd., one of the world’s biggest platinum producers, doesn’t think asteroid mining can be done so inexpensively. He said platinum prices must reach multiples of today’s price of $1,500 per ounce to make space mining worthwhile. He added, “We have enough problems just mining in Africa.”
Coal mine auction for new plants on cards

New Delhi: The government is looking at the possibility of allocating coal mines, which have been earmarked for the power sector in the upcoming auction of 54 mines, to new power plants only. "Coal blocks for power generation would be available only for the new power plants," says an official document highlighting the details of a meeting of the coal ministry held with representatives of the state governments.

Of the 54 coal blocks identified by the government a few days ago, a maximum of 16 have been earmarked for the power sector and 12 for the public sector undertakings (PSUs), among others. PTI