HT gets award for Goa mining reports

HT Correspondent

MUMBAI: Two journalists from Hindustan Times, Mumbai, Ketaki Ghoge and Snehal Rebello, received "The Press Club Award for Excellence in Journalism" for their report 'Goa's mining shame,' published in the September 22, 2011 edition of this paper.

The award was presented at the Mumbai Press Club awards ceremony on Saturday.

The report, which emerged the first runner-up in the political category, had uncovered the extent of illegal mining in Goa and the nexus between the mining lobby and administration.

"It was information collected meticulously by many Goan activists, and stories shared by affected people that helped us uncover the extent of the illegal trade," said Ghoge, senior assistant editor, HT.

In a series of reports last year, HT had revealed that illegal mining had cost Goa ₹3,000 crore — though some estimates had pegged the loss at ₹10,000 crore. The HT stories had exposed how mines had come up with blatant disregard to environment laws with complicity of officials and politicians.

"We thank HT for giving us a free hand to do justice to the story. The political nexus with the mining lobby is deeply entrenched," said Rebello, special correspondent, HT.

Around 500 entries from across India were short-listed and judged by distinguished juries in categories such as crime, politics and sports.
पांच साल में अवैध खनन के करीब दोहरे लाख से अधिक मामले

प्रेस केसरी (बाली), देश में अवैध खनन के मामलों की संख्या लगभग बढ़ी जा रही है और पिछले पांच साल में सर्वाधिक 1315 में कुल मिलाकर 282100 मामलों का पता बनाया। पर अब तक रेपोर्ट 31033 जबकि राजस्थान में 1253 मामले दर्ज किए गए और हुए एक कॉन्जेक्ट में 574 मामले दर्ज रहे। इसमें अधिकतम 22 फरवरी खान लाख की बनी हुई। राजस्थान में कुल 6383 एफआईआर का विभाग लगा गया। नई दिल्ली के नगर खान में भी 14 फरवरी राजस्थान में 199342 खान रहे और 74532 अवैध खनन के लगभग 47254 मामलों का पता चला।

अमेठी में अवैध खनन के मामलों की संख्या सीखेगी और कांग्रेस सांसद के चलते प्रेस आयोग में आया। प्रेस ने बताया कि अवैध खनन के सर्वाधिक मामलों को कॉन्ट्रोल की जाना चाहिए।
PRICE CARD

As on May 7

<table>
<thead>
<tr>
<th>Metals ($/tonne)</th>
<th>International Price</th>
<th>%Chg*</th>
<th>Domestic Price</th>
<th>%Chg*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>2,048.0</td>
<td>-5.8</td>
<td>2,569.9</td>
<td>-4.9</td>
</tr>
<tr>
<td>Copper</td>
<td>8,296.0</td>
<td>-0.5</td>
<td>9,675.0</td>
<td>-3.8</td>
</tr>
<tr>
<td>Nickel</td>
<td>17,510.0</td>
<td>-18.5</td>
<td>20,786.1</td>
<td>-11.4</td>
</tr>
<tr>
<td>Lead</td>
<td>2,060.0</td>
<td>-2.2</td>
<td>2,224.3</td>
<td>-6.7</td>
</tr>
<tr>
<td>Tin</td>
<td>21,775.0</td>
<td>-10.2</td>
<td>25,415.7</td>
<td>-6.3</td>
</tr>
<tr>
<td>Zinc</td>
<td>1,996.0</td>
<td>-4.1</td>
<td>2,551.0</td>
<td>-2.7</td>
</tr>
<tr>
<td>Steel-HRC</td>
<td>651.0</td>
<td>1.2</td>
<td>822.1</td>
<td>-7.0</td>
</tr>
<tr>
<td>Gold ($/ounce)</td>
<td>1,599.0*</td>
<td>-5.0</td>
<td>1,706.8</td>
<td>-2.3</td>
</tr>
<tr>
<td>Silver ($/ounce)</td>
<td>31.0*</td>
<td>-9.1</td>
<td>32.9</td>
<td>-0.2</td>
</tr>
</tbody>
</table>

ENERGY

| Crude Oil ($/bbl) | 119.6* | 1.6 | 112.6 | -1.9 |
| Natural Gas ($/Mcm) | 2.1*   | -12.2 | 0.4  |   |

AGRI COMMODITIES ($/tonne)

<table>
<thead>
<tr>
<th>Crop</th>
<th>Price</th>
<th>%Chg*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>290.0</td>
<td>7.7</td>
</tr>
<tr>
<td>Maize</td>
<td>281.4*</td>
<td>2.0</td>
</tr>
<tr>
<td>Sugar</td>
<td>576.8*</td>
<td>-10.8</td>
</tr>
<tr>
<td>Palm oil</td>
<td>1,100.0</td>
<td>9.6</td>
</tr>
<tr>
<td>Rubber</td>
<td>3,727.8*</td>
<td>-0.0</td>
</tr>
<tr>
<td>Coffee Robusta</td>
<td>1,929.0*</td>
<td>3.7</td>
</tr>
<tr>
<td>Cotton</td>
<td>1,967.2</td>
<td>5.7</td>
</tr>
</tbody>
</table>

Notes:
1. International rates are LME spot prices and domestic rates are NHB/foreign exchange rates.
2. International rates are US dollars and domestic rates are in Indian rupees.
3. International rates are NYMEX prices and domestic rates are NHB prices.
4. International rates are WM/T, Daily rates are NHB rates.
5. International rates are LME prices and domestic rates are NHB rates.
6. International rates are BMOT and domestic rates are NHB rates.
7. International rates are BMOT and domestic rates are NHB rates.
8. International rates are BMOT and domestic rates are NHB rates.
9. International rates are BMOT and domestic rates are NHB rates.
10. International rates are BMOT and domestic rates are NHB rates.

BALTIC EXCHANGE INDICES

<table>
<thead>
<tr>
<th>Date</th>
<th>Baltic Dry</th>
<th>Baltic Supramax</th>
<th>Baltic Panamax</th>
<th>Baltic Capesize</th>
<th>Baltic Handysize</th>
<th>Baltic Clean tanker</th>
<th>Baltic Dirty tanker</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 4</td>
<td>1,157</td>
<td>1,138</td>
<td>1,327</td>
<td>1,976</td>
<td>602</td>
<td>622</td>
<td>762</td>
</tr>
<tr>
<td>May 12</td>
<td>1,157</td>
<td>1,138</td>
<td>1,327</td>
<td>1,976</td>
<td>602</td>
<td>622</td>
<td>762</td>
</tr>
</tbody>
</table>

ELECTRICITY TRADING AT IEX

Market price in ₹/MWh
Jindal Steel & Power’s Bolivian Ore Project on Shaky Ground

Bolivia encashes another $18-m bank guarantee from JSPL for not meeting contractual terms

MEERA MOHANTY
NEW DELHI

Jindal-controlled Jindal Steel & Power’s ambitious Bolivian project to mine 20 billion tonnes of iron ore is at risk after the Bolivian government encashed yet another $18 million bank guarantee from the Indian firm for not meeting contractual terms.

Jindal Steel Bolivia (JSB) was billed to become the largest foreign direct investment in the Latin American country under President Evo Morales’ reign. The South American nation had, in 2010, encashed a similar amount blaming the company for not meeting its commitments. JSB has sought the intervention of the international court of arbitration.

According to sources close to the development, it could well be the end of the road for the Indian steelmaker in Bolivia. “The writing is on the wall. It is hard to see how we can make this relationship work from here,” said the person, who didn’t want to be identified.

The Indian company has been struggling to hang on to its half of the El Mutum deposit, touted to be among the largest iron ore deposits in the world, that was to be developed into a 10 million tonne per annum mine. Since the mine was located close to the inner border of the landlocked country, it required an expensive network of road, rail and river port infrastructure.

Despite dire statements made by senior ministers in Bolivia, including Morales who threatened to take over the mines, negotiations for subsidised gas for the pellet, steel and power plants had continued till recently. Reports quoting company officials of JSB say work has been suspended since March when it informed the government it couldn’t go ahead with plans without a commitment of gas supply.

State-owned gas firm Yacimientos Petrolíferos Fiscales Bolivianos offered 2.5 million standard cubic metres per day (mscmd) against JSB’s requirement of 4.5 mscmd required by October 2014 leading up to 10 mscmd by 2017. Last month, senior officials from the Indian steelmaker told The Economic Times that the two sides were discussing possibility of scaling down plans to adjust to reduced gas supply. But developments over the last few days have taken a nasty turn, with yet another annual bank guarantee being executed, and both sides issuing ultimatums.

Jindal Steel had won the 40-year rights to the iron ore deposit in 2007. According to the contract with Bolivia, JSB was to invest $600 million by 2012. The Morales-led Bolivian government has already reworked a more profitable share for state-owned miner in zinc, lead and tin mines that was long operated by Swiss firm Glencore. It has nationalised non-renewable natural resources in 2006.

Increased resource nationalism may not have a big impact on India, say industry experts. With the exception of Jindal’s buy, whose terms are not really in public domain, Indian companies have stayed away.

“The cost of developing infrastructure is very high. And the distance from India makes it difficult to raise finance for a pure market play (without captive purpose) investment. But the primary reason is the opportunities opening up nearer home in the east board of Africa and Australia, where many junior explorers have come to the fore and states such as Queensland and Victoria are also offering new opportunities.”
Ministers’ panel urged to decide on residual stake sale in Balco, Hindustan Zinc

Shishir Sinha
New Delhi, May 7
A group of top bureaucrats which studied the issue of residual stake sale in Hindustan Zinc and Balco, has requested an Empowered Group of Ministers (EGOM) to decide on the matter.

The panel, comprising Secretaries from several ministries, pointed out that the Vedanta Group’s offer to buy out the Government’s residual stake was enough to meet at least half of the total disinvestment target for 2012-13.

A highly-placed source told Business Line, “A group of secretaries discussed Vedanta’s offer. It was decided to seek the EGOM’s view to proceed further.” The panel consisted of Secretaries from the Department of Mines, Disinvestment and Law, besides others.

He also said that the EGOM was likely to discuss whether the offer was reasonable or not. It may also decide about the methodology of the sale process. However, he refused to give a time line for the next EGOM meeting. The EGOM is chaired by the Finance Minister. The Vedanta Group has offered Rs 15,000 crore for buying 26 per cent stake in Hindustan Zinc and Rs 2,000 crore for 49 per cent in Balco. Since the Government has fixed a target of Rs 30,000 crore through the disinvestment route for fiscal 2012-13, the stake sale in these entities will be a big help, the source added.

STRATEGIC SALE
Balco and Hindustan Zinc were sold to Vedanta Group companies way back in 2000-2002 as a strategic sale. Though there was a call option for Vedanta, it could not be exercised due to a legal battle.

However, the matter came into the limelight again last July when the group’s Chairman, Mr Anil Agarwal, wrote a letter to the Prime Minister.

Following this, the EGOM in its meeting on November 30, decided to ask the group to submit formal proposals. Vedanta did follow up with an offer letter, which expired on January 31, 2012. However, the source clarified that validity of the offer was just a technical matter which could easily be sorted out.

VALUATION ISSUE
Balco is an unlisted company. So, arriving at a valuation is difficult. But SBI Capital was helping the Government arrive at a mutually agreed price, a senior Government official said.

On the other hand, since Hindustan Zinc is a listed company, the deal is not very complex. The official said rules mandated by the markets regulator, SEBI, will apply for arriving at a price.

shishir.s@thehindu.co.in
Miners set to reduce spending amid fears on growth

By Helen Thomas in London

The mining industry is braced for a pullback in investment as the biggest companies reassess their capital expenditure plans in the face of escalating cost pressures and an uncertain growth outlook.

BHP Billiton and Rio Tinto last week said they were re-evaluating plans to spend tens of billions of dollars on vast development projects as China’s growth rate slows and some investors lobby for a greater focus on cost control and returning funds to shareholders.

The pair, who are expected to account for about a third of total capital investment in the industry this year, signalled that they could slow or delay projects as they prioritise their most profitable opportunities and seek to match spending with cash flows.

Analysts at Citigroup, who follow estimates for about 40 mining companies globally, expect spending in the sector to rise only 13 per cent this year, down from a 34 per cent forecast just a few weeks ago. They now expect a fall in 2013.

In the bank’s latest survey of mining companies in April, half said they were considering lowering their budgets compared with less than a fifth three months before.

The cuts could spell the end of a buoyant period for suppliers to the industry, such as Caterpillar, Joy Global of the US and Sweden’s Atlas Copco, which have benefited from demand for trucks, excavators, belt systems and draglines picked up to feed China’s rapacious appetite for raw materials.

“This is certainly a negative development for sentiment around the mining equipment suppliers,” said Natalia Mamaeva, analyst at Citi.

“They have done extremely well from the commodities and capex boom, and it has been a sellers’ market, so pricing has benefited too.”

Suppliers such as Caterpillar — which has already been booked to deliver mining trucks into 2014 and has a long lead time on other large pieces of equipment — are likely to be cushioned in the near term from shrinking expenditure.

Falling capital expenditure could, however, help ease cost increases for labour, equipment and materials in the mining industry.

“If the miners become more selective, it does have an impact for suppliers and for cost inflation,” said Jeff Largey, analyst at Macquarie. “A lot of the cost inflation is driven by everyone trying to build projects at the same time. Projects are not like a light switch that you can turn on and off, but the rising capital intensity of projects should start to abate.”

© The Financial Times Limited 2012

Marius Kloppers, chief executive officer of BHP Billiton
About 2,000 NLC contract workers arrested

About 2,000 contract workers of Neyveli Lignite Corporation (NLC) were arrested on Monday when they tried to block roads and railways, police said. They are a part of 14,000 contract workers on an indefinite strike for the past 17 days, demanding regularisation of services in a phased manner and implementation of 'equal pay for equal work' formula, among other things. An NLC official said the ongoing strike has led to a shortfall of 390 MW.
जमीनी मुद्दों के 
चलते अटके 
स्टील प्रोजेक्ट 

प्रेम • नई दिल्ली

सरकार ने कहा है कि कई लाख करोड़ रुपये के निर्यात वाली कई स्टील परियोजनाओं में जमीन अभिव्रह्मन में आ रही समस्याओं और लिखित पालिका एवं पॉर्टल बिलिंग की वजह से देरी से तक है। इनमें से 1.74 लाख करोड़ रुपये के निर्यात वाली परियोजनाओं को अकेले उड़ीसा न छत्तीसगढ़ में से आयकर पहला।

लेकिन एक प्रस्ताव के लिखित उत्तर में स्टील मंदी बेची प्रस्ताव वर्मा ने कहा कि बीते छह माहों के दौरान स्टील कंपनियों ने विभिन्न राज्य सरकारों के 81.9 लाख करोड़ की अपेमेंट किया है, जबकि इसमें से अवधारणा पर अभी तक कोई कारण नहीं है। उन्होंने कहा कि इनमें से अवधारणा परियोजनाओं में जमीन अभिव्रह्मन, पर्यावरण एवं पॉर्टल बिलिंग, कर्मचारी माल के लिखित व्यापारी व घरघर कंपनियों की पालिका की वजह से देरी है। वर्मा द्वारा दिए गए आकड़ों के मुताबिक, इन परियोजनाओं में से कक्षियों के एक लाख करोड़ रुपये की परियोजनाओं अकेले छत्तीसगढ़ राज्य की है। जबकि, उड़ीसा में देंगी होने वाली परियोजनाओं का कुल निर्माण कार्य नहीं है। तकरीबन 74,000 करोड़ रुपये के कारोबार का है।