Growing hunger for coal takes Tatas to Canada

Ashish K Tiwari & Promit Mukherjee, MUMBAI

The salt-to-software conglomerate, the Tata Group, is not just content with its substantial presence in Canada's iron ore mines like Direct Shipping Ore and Taconite projects. Over and above the majority stake in those assets, it wants more and now has its eyes firmly set on the country’s metallurgical coal reserves, too.

The discussions are at a preliminary stage. Canadian ministry officials have let out that the group is looking at the British Columbia province of Canada for investment, which has huge reserves of metallurgical coal, also called coking coal and used for steel making.

“We are very much open to Indian companies picking up stakes in our mines and out of several companies we have spoken to, the Tata Group has shown considerable interest to put in money here,” said Christy Clark, premier of the Province of British Columbia.

Clark is here in India for a business-cum-political visit and was in Mumbai to attend the Indian Economic Summit organised by the World Economic Forum and the Confederation of Indian Industries (CII).

Clark admitted that in this race for Canadian metallurgical coke, which is exported extensively, China seems to have the first-mover advantage and India has so much catch-up to do. In fact, citing a specific example, she said the China Investment Corporation recently picked up a 40% stake in a huge metallurgical coal mine in the province.

“China and Japan have huge interests in the region and we are also inviting Indian companies to the province as we have a gamut of opportunities for Indian companies here,” she said.

Currently, the bilateral trade between India and Canada is pegged at $2.1 billion of which a meagre $135 million comes from British Columbia.

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Clark is out to change that and says she sees no reason why the figure can't jump by a big margin over the next few years, given the promise the province holds.

Mining is just part of the bigger story. Clark has a string of meetings lined up with several business leaders in Mumbai and Bangalore over the next two days to push opportunities in various other fields like clean energy, LNG, shale gas, digital media and film, life sciences and mining. "Besides mining, British Columbia offers great opportunities in clean energy and LNG and we are keen on Indian participation in these sectors," she said.

Clean energy – which includes hydro, bio fuel, solar and geothermal – accounts for as much as 93% of the power generation pie in British Columbia, but so far, Indian companies have been conspicuous by their absence from the scene.

Talking about what more is in store, Clark said the province has embarked on an ambitious $25 billion (Canadian) LNG project, the first part of which will come up in 2015 and the next will be ready by 2020. "Even in this project, Chinese companies have bid aggressively, but there has been no participation from Indian firms. We want companies here to come and invest in the project," she said.

Canada is also keen to roll out a red carpet to Bolly-
गोवा अवैध खानन पर पहली रिपोर्ट जल्द

पणजी, (भारत): केंद्र सरकार द्वारा नियुक्त अंतिम निष्कर्ष पर पहुंचने के लिए स्थानीय खान शाह आयोग द्वारा गोवा अवैध खानन समूह में, एवं भूमिज अंकलाव को मदद से 90 दिनों में एक सिंधु की पहली रिपोर्ट संपूर्ण जाने की संभावना है। गोवा में अवैध खानन के आरोपियों की जांच कर रहा आयोग व्यापक रिपोर्ट तैयार करने के अंतर्गत कार्य कर रहा है। आयोग के एक परिस्थित सदस्य ने कहा, “केंद्रीय खान मंत्रालय को पहली रिपोर्ट एक सिंधु की संभावना गोवा में अनुसरणित है।” उन्होंने कहा कि इसके बाद नूतनी रिपोर्ट आएगी।

आयोग मध्य सिंधु से गोवा में लौटा उद्धार शाह एवं निरीक्षण की जांच कर रहा है। इसके लिए आठ टीमें चलीं गईं।
Nalco’s 2nd Quarter results declared
National Aluminium Company Limited (NALCO) has announced the results for the second quarter ended September 2011. According to the reviewed financial results for the second quarter of the financial year 2011-12 taken on record in the meeting held in Bhubaneswar, Nalco has registered a net profit of Rs 139.34 crore, as against Rs 224.04 crore in the same quarter previous fiscal. The sales turnover surged by about 9 per cent to Rs 1689.38 crore against Rs 1548.75 crore.
GOA ILLEGAL MINING: SHAH PANEL LIKELY TO GIVE REPORT ON DEC 1

The Central government-appointed Shah Commission is likely to give its first report on illegal mining in Goa on December 1, officials said on Tuesday. The Commission, which has been investigating the iron ore mining illegalities in Goa, is in its final stages of preparing an exhaustive report that would bare the unlawful activity in the state. The panel has been probing iron ore extraction, trading and exports in Goa since mid-September. 

PTI
रॉक फास्फेट की मांग 85.9 लाख टन पर पहुँचने का अनुमान

नई दिल्ली, 15 नवंबर (पाया)। चालू बिजनेस में देश में डाइ आमोनियम फास्फेट (डीएफ़) खाद की मांग 85.9 लाख टन पर पहुँच जाएगी। एक सरकारी संस्था ने यह अनुमान लगाया है।

खान मंजूल के सचिव को अनुमान लगाया जा रहा है कि जाने सरकारी संस्था ने अभी प्रदेश, मध्य प्रदेश और राजस्थान में रॉक फास्फेट के उत्पादन पर भी जोर दिया है। चालू बिजनेस योजना के लिए वार्षिक उत्पाद की ‘खाना उत्पादन एवं विकास’ योजना में शामिल करा दी गई है।

सीएससी द्वारा जाने जाने सरकारी संस्था ने अनुमान लगाया है कि देश में रॉक फास्फेट का उत्पादन बढ़ाने की जा रही है। भारत में रॉक फास्फेट का उत्पादन 2011-12 में 35.2 लाख टन था। आधीवीर्य के आकड़ों के अनुसार, 2009-10 में देश में रॉक फास्फेट का उत्पादन 15.5 लाख टन था। बिजनेस वर्ष 2010-11 में देश में 74.1 लाख टन डीएफ़ की आयात की गई थी।
New law hopes to break new ground

India will, in turn, lead towards more modern mining techniques.

Social license for mining

While the legislation sets out the framework for facilitating much-needed investment in modernisation of Indian mining, the new Mining Act also brings in the aspect of social license to mine - it aims at making mining more acceptable to communities where operations are developed.

India is witness to some forest and tribal areas inhabited by indigenous peoples, which are

Corporate Review

Greenearth Resources and Projects Limited (GRL) is a prominent law and metallurgical coke (LAM COK) and refractory manufacturer in India. The company is among one of the top LAM coke manufacturer in India and one of the top three independent producers in India, he said. The company has been in the process of backward integration, where the company has acquired new coal mines in Mozambique and Guinea. The company has been working on creating a new market in these regions.

India's mining sector is dominated by state-owned companies such as National Aluminum Corporation (NALCO), Steel Authority of India Limited (SAIL), and National Mineral Development Corporation (NMDC).

Environmental issues

Another issue that has posed a problem for mining sector is the environmental laws. There has been media reports of instances where mines which have been operating for years find themselves on the wrong side of the environmental rules. Indian courts have increasingly determined to take a firm stand against perceived environmental offenders.

In a related move, the Ministry of Environment and Forest recently defined and identified 'no-go' areas of the country for coal mining, a move aimed at protecting forest areas while, at the same time, increasing production from the country's mines. The no-go areas include significant coal resources in forest areas. Prime Minister Manmohan Singh's office informed the Ministry of Environment and Forests that the plan was not feasible, because the 'no-go' areas effectively would exclude 40 per cent of known coal reserves from potential mining.

As demand continues to grow, supply of coking coal will become a "major issue" for domestic producers as steel demand and production levels rise. Indian companies are looking for all kinds of opportunities, including acquisitions, joint ventures and strategic partnerships on coking coal assets outside India. This is a trend that seems set for growth in days to come.

Change happens

As an industry, the mining sector's strategic and economic importance, there has been significant government intervention to regulate and control the sector which has led to the formation of companies such as National Aluminum Corporation (NALCO), Steel Authority of India Limited (SAIL), and National Mineral Development Corporation (NMDC).

In the context of this, the government has taken a series of steps to control the sector's growth. These include the introduction of a new Regulatory and Licensing Framework (R&L) for the mining sector in 2012, which was later challenged in the Supreme Court.

Moreover, the government has also taken steps to ensure that the mining sector is environmentally sustainable. The Ministry of Environment and Forests has introduced a new set of regulations for the mining sector, which includes the introduction of a new set of environmental guidelines and standards.
IVRCL bags orders worth Rs.1,867 crore

The mining and water divisions of IVRCL bagged orders worth Rs.1,867.19 crore. The company in a release said that Hindustan Copper gave the Rs.1,176.12 crore order for the development of an underground mine of five million tonnes per annum capacity at Malanjkhand copper project, Balaghat in Madhya Pradesh. The water division bagged Rs 691.07 crore order from Gujarat Water Infrastructure for commissioning of bulk water transmission main, the release added.
Copper dips on gloomy demand prospects

Reuters
London, Nov. 15

Copper fell more than 1 per cent on Tuesday as prospects for demand remained gloomy amid renewed doubts that Euro zone economies can tackle their debt and convince bond markets to lend to them at reasonable rates.

Three-month copper on the London Metal Exchange edged down 1.03 per cent to $7,680 a tonne in official mid-day rings. The red metal is down around 8 per cent so far this month.

The International Monetary Fund warned on Tuesday that China's biggest commercial banks face systemic risks if a combination of credit, property, currency and yield curve shocks that could be withstood in isolation were to occur together.

All the same China, which accounts for about 40 per cent of global copper demand, continues to guzzles up stocks of the metal, even as its authorities try to engineer a soft landing and as concerns persist that the euro zone crisis might knock its exports.

The latest LME data showed copper stocks fell by 2,100 tonnes, nearing the 400,000-mark at 403,300 tonnes and the lowest since mid-February this year. Moreover cancelled warrants - material set to leave warehouses - sit at 27 per cent of stock, down from 12 per cent at the end of October.

Tin rose 0.47 per cent to $21,575 a tonne, underpinned by an ongoing export ban in Indonesia. Zinc fell 1.60 per cent to $1,912. Lead fell 2.14 per cent to $2,011 a tonne. aluminium fell 1.25 per cent to $2,138 while nickel was last bid at $17,600, down 1.12 per cent.
Indian firms could be biggest investors in Australian mines

Anil Sasi
New Delhi, Nov. 15

The proposed mining and carbon tax in Australia is unlikely to dampen interest among Indian firms planning to invest in the natural resources of the mineral-rich continent.

Australian Minister for Resources and Energy, and Tourism, Mr Martin Ferguson, told Business Line that Indian firms could emerge as the biggest investors in the Galilee Mines in Queensland and that they are keen to bankroll new coal mines in other parts of the country as well. There is also growing interest in a range of other minerals resources, including iron ore, gold, copper, aluminium, zinc and petroleum. On uranium, though, Mr Ferguson did not offer a comment, though there are strong indications that the issue could come up at the Australian Labor Party national conference in December.

“We’ve got a very, very strong relationship with India... Indian investment will be the key to that huge opportunity for Australia, especially natural resources,” he said.

MEETING MINISTERS
Mr Ferguson was in India on a three-day visit last week, where he met his counterpart Ministers —

Mr Martin Ferguson

Mines, Coal, Petroleum and Natural Gas, Power, New and Renewable Energy and Tourism — during the Delhi-leg of his visit. He also met with Indian energy companies that have interests in Australia, including Reliance, Tata Power, JSW Steel, Jindal Steel & Power, the Aditya Birla Group and GVK. Indian companies have already invested about A$2.5 billion in Australian coal assets in the past year.

He said that during the bilateral meetings, it was decided that India and Australia would further explore the possibilities to ramp up collaboration in the coal sector, including transfer of technology for underground mining and facilitating investments by Australian firms in the Indian coal sector. Rehabilitation of abandoned coal mines and extraction of deep seated coal resources is among the focus areas.

He said the proposed A$23-a-tonne carbon tax passed by the Australian Senate early last week is unlikely to quell demand among investors. The carbon-pricing scheme will begin on July 1 next year and will be paid by 500 biggest polluters as a fixed price until it converts to a market-based emissions trading scheme in 2015.

INVESTMENTS
Mr Ferguson played down industry concerns with the carbon tax and mining tax, saying despite all the complaints, companies are going ahead with more than A$150 billion worth of projects.

On the rising Indian investments in Australia’s coal mines, Mr Ferguson said the current demand for coal by India and China is “extremely encouraging” and is expected to make the remote reserves of Galilee Basin in Queensland more viable.

The Galilee Basin has good quality coal, but its remote location has been a big barrier for development. The Adani Group and GVK are among Indian players that have already invested in the Galilee Basin area, with the Adanis having signed a deal with Australian-owned Linc Energy worth A$500 million to buy coal tenements and GVK paying around A$1.2 billion for the assets of Hancock Coal.
NMDC set to hire M&As consultants

BV Mahalakshmi

Hyderabad, Nov 15: NMDC has invited proposals for empanelment of consultants exclusively for mergers and acquisitions. The PSU is in the final leg of due diligence for buying mines in the US, Brazil, Russia and Mozambique, which is expected to happen in the next two to three months. The proposed panel would facilitate its M&As plans both in domestic and international markets.

“The thrust shall be primarily on overseas M&As. There will be four separate panels one each for financial/transaction, technical, tax and accountancy and legal due diligence. Responsibility of co-ordination and rendering a comprehensive service/solution for a target acquisition will be with the financial cand transaction. The consultants will be empanelled initially for a period of two years,” NMDC sources said.

The selected consultants will be invited to bid through a limited tender enquiry at sole discretion of NMDC as and when projects arise. The proposals from consultants will be accepted after an evaluation of their proposals received pursuant to the RFP issued on a project specific basis.

The PSU recently secured a 50% stake in the Australian exploratory firm, Legacy Iron Ore for A$18.89 million. The PSU will be meeting the required funds through its internal resources. Sources also said that NMDC is also in talks to buy coking coal mines from privately held US-based Taconi Minerals. It is also conducting a joint feasibility study with Minemakers to develop the Wonarah phosphate deposit in Australia.

Meanwhile, NMDC and Russia’s second-biggest steel-maker Severstal have signed an Implementation Protocol with respect to the memorandum of understanding they entered in December 2010, for a joint venture steel plant in Karnataka. According to NMDC, the protocol defines the initial capacity of the proposed JV plant, which would be three million tonnes per annum of finished steel. The protocol defines the target initial plant capacity which would be three million tonnes of finished steel.