FE Trade winds
DECIPHERING BILATERAL TRADE

Coal-fired ties with Oz gather steam

In an effort to overcome the recent strain in relations on the issue of security to Indian students, Australian trade commission launched roadshows in 12 cities to create greater awareness about the conducive atmosphere for studying Down Under. The two countries are also trying to increase trade.

"The present status of two-way trade and its volume, stood at $20.9 billion with export volume tilting very much in its favour," Peter Varghese, the Australian high commissioner is New Delhi told FE. "This is a free trade agreement (FTA) between the two countries has the potential to enhance trade in goods, services and investment," said the Australian envoy.

The FTA with Australia will provide India access to markets in East Asia, allowing it to counterbalance the growth of strategic and economic rivals such as China, said a commerce ministry official. China is negotiating a comprehensive FTA with Australia. If signed, the agreement will give Chinese firms an edge over their Indian rivals. "We are committed to further strengthening and expanding our strategic partnership. Our relationship already encompasses diverse areas that can act as bulwark for such a partnership,"

He said India-Australia joint ministerial group meeting will be held soon and added that a CEOs' forum meeting would be made to coincide with it. "The bilateral economic relationship has continued to strengthen. India is now Australia’s third largest overall export market and fifth largest trade partner. Australia is India’s sixth largest trading partner. There were significant new two-way investments in 2010, particularly by India, in the resources and energy sector."

By maintaining around 25% increase annually, the trade volumes are expected to touch the $25-billion mark in 2011. In 2010, Australian investment in India touched the $3-billion mark, of which about $278 million was invested in renewable energy. The increased industrial activity will raise demand for electricity and air-conditioning for power plants being coal-fired thermal units, initial estimates indicate that coal imports might increase to $5.5 million during financial year 2010-11, against 2.8 million in the previous fiscal.

Most Indian private power producers are finding imported coal an easier option instead of sourcing it domestically. And as for gold, it is unlikely imports of the precious metal will decline, given India’s inelastic demand. Going by the Sterlite Industries’ acquisition of a Queensland gold mine and copper mines in Tasmania, Australia may be a happy hunting ground for the three major Indian gold and mineral prospectors.

The FTA with Australia will provide India access to markets in East Asia, allowing it to counterbalance the growth of rivals like China.
Vested interests blocking filling of 200 vacancies in GSI

STAFF REPORTER

GUWAHATI, Feb 15 – Vested interest circles have been preventing filling up of around 200 vacancies against various posts in the Geological Survey of India’s (GSI’s) NE region offices.

Knowledgeable circles here allege that the GSI with its regional office at Shillong and State unit offices at Guwahati, Agartala, Dimapur and Itanagar are in acute shortage of manpower. In the recent attempt to fill up vacancies in all other regional offices of GSI, Ministry of Mines asked the regional offices to place their demand for filling up the existing vacancies.

But in spite of several reminders from Ministry of Mines, regional office of Shillong failed to submit its requirement to the Ministry. There are about 200 posts lying vacant in the NE Region that include Senior Technical Assistant, Junior Technical Assistant, Surveyor, Office Assistant, etc.

When BK Handique was the Union Minister for Mines, it was apprised to him, during his visit to Shillong that to overcome shortage of geologists in NER posts of Senior Technical Assistant, Junior Technical Assistant should be revived.

But when the posts were offered, the Regional Office located at Shillong kept silent. The region is suffering because of ‘tenure posting’ policy of the Central Government and recruitment of Senior Technical Assistant, Junior Technical Assistant in Geology, Geophysics, and Chemical branches could have facilitated their smooth functioning.

It is believed that certain sections in the regional office have acted against the cause of the region and are trying to transfer the people to the region against the vacant posts as soon as the recruitments in the other regions are over.
GoM meet on coal inconclusive

AGE CORRESPONDENT

Feb. 17: The GoM headed by finance minister Pranab Mukherjee met on Thursday to iron out the inter-ministerial differences on environment-related issues.

The issue had been a major source of conflict between the ministry of coal and the ministry of forests & environment (MoEF) and the GoM had been set up to consider the efficacy and legality of forest clearance norms and procedures.

The meeting saw heated arguments being exchanged between minister of coal Sriprakash Jaiswal and environment minister Jairam Ramesh.
Jaiswal bats for an end to ‘no go’ zone in mining (Seeks 150-day deadline for enviromin to clear projects)

By S.P.S. Pannu
In New Delhi

COAL MINISTER Srijakash Jaiswal on Thursday pushed for doing away with the “no go” classification introduced for coal mining projects by the ministry of environment and forests and sought a 150-day deadline for environmental clearance for all mining projects.

A coal ministry official told *Mail Today* that the presentation made by the coal ministry received a positive response from other ministers at the group of ministers (GoM) meeting headed by finance minister Pranab Mukherjee.

Jaiswal stressed that the Centre needed to switch to a practical approach based on the earlier forest laws and drop the “no go” and “go” area classification for coal mining introduced by the coal ministry and forest minister Jairam Ramesh. He also cited cases of mining projects being held up for as much as nine to 12 months.

Finance minister Pranab Mukherjee asked the ministry of environment and forests to make its presentation on the issues raised by the coal ministry in the next meeting of the GoM to be held next month.

The environment ministry’s “no go” classification introduced in 2009 has blocked mining in 203 blocks, which have the potential of producing 660 million tonnes of coal a year. According to coal ministry estimates, the output from these blocks could have been used to generate around 1.3 lakh MW of power per annum.

The coal ministry had identified about 35 per cent of forest area in nine major coal mining zones as “no go” zones. This accounts for as much as 44 per cent of the area that public sector Coal India Ltd (CIL) wants to mine.

**Issues like “no go” coal blocks & coal imports were discussed... will meet again on the issue**

-JAIrAAM RAMESH, MINISTER, COAL

Jaiswal’s stand has the support of power minister Sushilkumar Shinde as more coal is needed to meet the expanding needs of the country’s power plants.

Planning Commission deputy chairman Montek Singh Ahluwalia is also of the view that Ramesh must be more flexible on his “no go” area stand as the objective of economic development has to be kept in mind.

“All the issues like “no go” coal blocks and coal imports were discussed. We will meet again sometime in the second week of March on the issue,” Jaiswal said. Environment minister Jairam Ramesh said, “I have assured them that from our ministry’s side, we will adopt a positive attitude.” Ramesh said his ministry had already lifted moratorium on 13 areas, categorised as ‘critically polluted’ under the Comprehensive Environment Pollution Index (CEPI).

The environment ministry had last year imposed a temporary moratorium on development projects in 43 clusters identified as “critically polluted”. Seven coalfields, including Chandrapur, Korba, Dhanbad, Talcher, Singrauli, Asansol and IB Valley came under the ambit of the CEPI moratorium.

He said technical teams from the Central Pollution Control Board are in the field.

“I hope that we will be able to lift the moratorium by end of March as we had originally anticipated,” he said. He explained that CEPI was not a coal pollution index but a comprehensive emission measurement tool.

Ramesh, who had earlier taken a tough stand to enforce forest protection laws, said he did not intend to stop the projects. “It is also true that there is a decline in forest cover in India, which needs to be checked,” he said.

The 12-member GoM also includes steel minister Ben Prasad Verma and road transport minister C.P. Joshi and was set up following a Cabinet decision to resolve the turf war between Jaiswal and Ramesh.
INDIAN LOVE OF GOLD HITS NEW HIGH

Gold prices zoomed in 2010 but that did not stop Indians from loving the yellow metal as the demand surged by 66% to a record.

The festive quarter (Oct to December) witnessed the gold demand jump by 37% at 385 tonnes even as gold traded between $20,000 and $21,000 per ten grams.

963 tonnes India’s gold purchases in 2010, up from 578.5 tonnes in 2009.

₹1,73,330 crore is India’s gold demand in rupee terms for the calendar 2010. It rose by 90% from ₹87,430 crore in 2009. The global demand was $150 billion, or 3,812.2 tonnes, in the same year.

India accounts for 25% of total global gold consumption and 42% of gold jewellery consumption.

Indians bought 271.4 tonnes of gold as investment in 2010, up 60% from 169.3 in 2009.

SOURCE: World Gold Council
देश में सोने का आयात दनादन बढ़ा

2011-12 के बजट में आयात शुल्क में बढ़ती की जा सकती है।

कृत्रिम शुल्क

देश में सोने को कोम्प्युटर से संबंधित वालों को कोम्प्युटर से अंतराल पर है, इससे आयात बढ़ने की संभावना को कई कभी नहीं है।

विषय स्कर्प परिषद के अनुसार अक्टूबर-दिसंबर-10 की तिमाही में सोने का आयात फलने के 204 टन को तुलना में 29.90 प्रतिशत के जोड़कर जुलाई से 265 टन पर पहुँच रहा। परिषद के पहले प्रस्ताव में भारत के प्रधान मंत्री अमित शाह ने बताया कि भारत में सोने की मांग बढ़ने की उम्मीद है।

वर्ष के पहले महीनों की शुरुआत अच्छी हुई है और 2011 में मांग जोड़तार न संकट है। उन्होंने कहा कि सरकार 28 फरवरी को भेजा फिरते जाने जाये 2011-12 के बजट में आयात शुल्क में वृद्धार्थ दर संभावना है। मित्र ने कहा कि अन्य दुर्गतियाँ और परिशिष्ट के देशों की तुलना में भारत में मांग जोड़तार रही है। विनाय भारत के सोने का जोड़तार भारत का 21101 करोड़ प्रतिशत दर रहा रहा पहुँच रहा था। यदि 2009 में विनाय में कुल सोने का मांग में भारत का 16 प्रतिशत हिस्सा था और इसके 20 प्रतिशत तक पहुँच जाने की उम्मीद है।

विनाय में सोने के आयात का भारत सकरभूत बढ़ जाता है और इसका हिस्सा 20 प्रतिशत तक है।
जायसवाल बोले ‘गो’ और ‘नो-गो’ नियम रद करें जयराम समेत

तेवर

* जीओएम की बैठक में कोयला मंत्री ने पवित्रित मंजूरी की पुर्नी नीति को अस्वीकार

नई दिल्ली, जायसवाल बोले : ‘कोयला क्लास्तों की खानन की मंजूरी देने की पुर्नी पसंदिध के तहत थी। ’गो’ और ‘नो-गो’ के आकार पर मंजूरी देने के सुविधा को रद दिखाने को देखकर है। इस आगर के पर कोयला खंडन दिखाने गया जा रहा देश में बिजली एवं ग्रहण जारी। कोयला मंत्री श्रीप्रकाश जायसवाल ने गुरुवार को मंजूरी के सम्मुख की फाली बैठक में जब यह संधार रखी तो उनका समर्थन कही अपने कैनिकल सहयोगियों को किया।

दिन मंजूरी प्राप्त मुखियों की अपहरण में इस जीओएम (‘गो’ समूह) का गठन प्रक्रियासी ने किया था। अभी तक पर्यावरण व वन मंत्रालय के ‘गो’ और ‘नो-गो’ विविध संस्थाओं में कुछ बदलाव करते हुए दिखाया की गंगा जैसे कोयला मंत्री का रूप बैठक में पूरी तरह बदला जा रहा है। उन्होंने समस्त के साथ रखा कहा कि अतिरिक्त नियम का जोड़ को देखने हेतु देश में सभी कोयला परीक्षाओं में खानन की संभवत तकलीफ़ जानी चाहिए। जहा तक पर्यावरण और वन के क्षेत्र को जाति को बता है तो उसके लिए वन सरकार गठन, 1980 पूरे तहत से रखा है। ऐसे में गो और नो-गो समूह परिवर्तन का रूप कर देना चाहिए। अन्य ढंग पर आयोजन उपयोग नियमों के साथ अतीत दिन के पूर्व में नियम का संबंध किया।

सुधीर के मुताबिक जीओएम को अगली बैठक में भी फलस्वरूप में होगी। उस बैठक में पर्यावरण व वन मंत्री आयरन रोशन अपने सहयोगियों से समझाया। कोयला मंत्री ने सभी सदस्यों से कहा कि जीओएम को अपनी प्रतिस्पर्धा अपने माहित पर पूरा करनी है और अपने पर व्यवस्था लाने के लिए बिजली क्षेत्र पर कैनिकल सहयोगियों (वर्तमान) को भेजा जा सकेगा। समस्ती के सभी सदस्यों का मानना है कि इस बारे में नतिनात संचालन वर्तमान के दौरान हो जाना चाहिए ताकि अगले वितरण वर्ष के लिए अवस्थामंत्र हो सके। कोयला मंत्री ने अपने प्रस्तुतिकार में कहा कि कोयला कंपनियों के पर्यावरण संरचना के लिए आई सुधीर का काम उठाने को तैयार है। इससे ताक़लिनी का जमीन पर खानन किया जाए। उसके लिए, पहली ही मुआवजा देने का प्रतिस्थाप है, ताकि कर्मचारी अपने प्रभारित काम पर काम कर सकें, खानन कार्य के चरणों में काम का आवश्यक भी दिया गया ताकि पैदा लगाने का काम भी हो सके।
जयराम रमेश के गो-नो गो को मंत्रियों की ना

अमर उजाला ब्यूरो

नई दिल्ली। एक्सेंस नूर ने अपने चुनाव से पहले मंत्रियों को नीतियों के बदले पांच त्योहारों के बाद ही निकल सकेगा। मार्च के पहले हफ्ते में होगी जी.एम की अंग्रेजी बैठक।

मार्च के पहले हफ्ते में होगी जी.एम की अंग्रेजी बैठक

नई दिल्ली। पर्यावरण संस्थान के नाम पर रेल और पर्यावरण मंत्रालय की आयोजना में केंद्रीय मंत्रियों को खट्टक रखना था। धार्मिक संस्थान की आयोजना में अपील का दांव गोविंद कुमार विपिन ने पहले विषयों को अन्य मंत्री मंत्रियों के सहयोग से पहले हफ्ते सुबह दो बजे पर दिखाया। कोल्हापुर आई.एफ.सी. पर निर्देशन ऑफिसर को रेलवे मंत्रालय के बीच जारी के निर्देशों के लिए अंतिम मंत्री मंत्रियों समुह की बैठक में सभी मंत्रियों ने गो और अन्य नोटिस के प्रश्नों को अंजने दिखाया। लगभग सप्ताह एक तक चली बैठक में शामिल मंत्रियों ने पर्यावरण निर्देशन का विवरण की। उन्होंने कोल्हापुर आई.एफ.सी. पर पाबंदी की निर्देशन रेलवे मंत्रालय के बीच जारी के निर्देशों के अनुसार। 1980 के मुद्देवाली अपनी नीतियों तथा कार्य का संकल्प नहीं गई। वर्तमान इस अभियान ने तहत खट्टक पर पाबंदी को जारी उसमें सुधार किया जा सकता है। इतने ही पर्यावरण संभाली के संबंधी समस्याओं के बारे में भी बैठक में लंबी चर्चा हुई। लेकिन अंतिम बैठक में हुई पाबंदी बैठक में इस समस्या का कोई तोल हट नहीं निकल पाया। इसलिए जी.एम की अंग्रेजी बैठक मार्च के पहले हफ्ते में करने का निर्णय लिया गया।
बनी रहेगी अभी सोने की चकाचौंध

2010 में दुनिया में सोने की मांग रही दस साल में सर्वाधिक

नई दिल्ली। वित्तपंचायत के अध्यक्ष अरुणधेत्र उपाध्यक्ष के समय उनके अधीन कार्यालय की विभागीय दूता भर्ती रही। वह इसी मामले में दिल्ली में विश्व स्तर के अधिक दर्जन का विश्व से आया।

सरकार बढ़ाती है आयत शुल्क

दुनिया की सरकारों के अनुसार, अक्टूबर- दिसम्बर 2010 की तिमाही में सोने का आयत वाले के 204 टन की मांग को 80 टन से 29.90 प्रतिशत के ठोसदर उछाल में 265 टन पर पहुँच गया। दुनिया के परिवर्तन चुने और भारत के प्रधानमंत्री से सीधे अलर्ट विभाग ने बताया और उन्हें बताया कि भारत में सोने की मांग बढ़ने की आशंका है। उन्होंने अनुमान जताया कि 28 फरवरी को यह होने जाने वाला 2011-12 के बजट में आयत शुल्क में बढ़ोतरी हो सकती है। सरकार पिछले दो वर्ष के दौरान सोने पर दो वर्ष बढ़ा आयत शुल्क बढ़ा चुकी है। निर्देश ने कहा कि भारत में सोने की मांग जोरदार रही है।
भारत में 66 फीसद बढ़ी सोने की मांग

मुंबई (एप्जेसी)। भारतीय साल सोने के सबसे बड़े बाजार के रूप में उम्मीदें। रिकार्ड की जाने वाली कीमतों में बढ़त के रूप में इस साल की बहुमुखी योजना की मांग 66 फीसद बढ़कर 963 टन हो गई।

विश्व राष्ट्रीय परिषद (कम्बिनेट) का कहना है कि मांग में यह वृद्धि सोने की कीमतों में उछाल के आधार पर देखने को मिली। परिषद के प्रथम निदेशक उपाध्यक्ष ने संबंधित अनुमानों को बताया, “सोने के खर्च बढ़ने से बीता साल वैधिक सतर्क पर नियंत्रण की गई थी गोरखनाथ 2011 में भारत में सोने की मांग 66 प्रतिशत बढ़कर 963 टन हो गई। इस साल के लिए भी अनुमान बढ़ने उम्मीदों भरे हैं। वैधिक सतर्क पर रोक की मांग 2010 में दस साल के उच्चतम सतर 3812 टन पर पहुंच गई। वैधिक साल में भारत का वित्तीय लक्ष्य 25 प्रतिशत है।
लाल गायक के मामले में अलर्ट दी गई और हालात के लिए "बख्त" बजाय "आर्य" दिया गया।

प्रवक्ताओं ने "भूक-मांग के साथ देश के विश्वसनीय" है। इसके लिए इनके रात्रिसमय अलर्ट दिया गया।

प्रदर्शनी का उद्देश्य "पत्ता नौकरी" और "पत्ता नौकरी" है।

लाल गायक के मामले में अलर्ट दी गई और हालात के लिए "बख्त" बजाय "आर्य" दिया गया।
GOVT PUTS FOREST-DWELLERS 

On A Tight Tether

SHEERHIND Role: From changing a crop to digging a well, MoF wants forest-dwellers to stick to their ‘master plan’

Government has put the forest-dwellers on an economic紧拽. The authorities are to collect data on how these poor people cut into the forests and then governed to the affected areas with a compulsion of Rs.10 lakh, in cash or kind. At the same time the minister has decided to protect the periphery of these lands too. The logic goes: the national parks and sanctuaries are like islands today in a vast matrix of agricultural fields, industrial cities, mining zones, a maze of roads, high tension wires, canals and railway lines. The pace of change and development around the forests has increased more dis-connected moth eaten patches. In times like these, the Ministry of Forests is decided to give a protective cover along the periphery of these wild areas. The activities and development in lands falling within 30 kilometres of each park and sanctuary should be restricted and land use controlled, the National Wildlife policy recommended. The government decided it would declare these areas as Eco-sensitive Areas (ESA) under the Environment Protection Act. This would empower the states governments and forest departments to control activities on the periphery of a park. The powers under the act would make people living in the fringes of these wild areas go to the administration, foresters or revenue officials, each time they wanted to change a crop, dig a well, build a brick kiln, cut a tree, change the crop, build a road, dig a well, build a factory or mine an ore. Generally speaking, once one can categorize the area around a typical national park and sanctuary dominated by three or four classes – poor farmers and poor tribal, rich miners and hoteliers.

Government wants forest-dwellers to stick to their ‘master plan’.

The Times of India, Delhi
Friday, 18th February 2011, Page: 13

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Jairam ready to dump no-go policy

New Delhi: Environment minister Jairam Ramesh is ready to abandon the no-go policy for coal project clearance. He told the group of ministers headed by finance minister Pranab Mukherjee on Thursday that he had no problems in reverting to the old regime where each project came to the environment ministry for clearance.

The meeting of 12 ministers, including those of coal, road transport and steel, he put on record that the zoning scheme had been done at the suggestion of the coal ministry and Coal India Limited and now that it had boomeranged, they wanted to do away with it.

The meeting began with Mukherjee pointing out that the GoM was not meeting to find a substitute for executive powers of the environment ministry or to rewrite the laws but only to find a balance and find solutions.

Each of the infrastructure ministers then made presentations on what constraints they faced due to green clearances. Coal minister Sriprakash Jaiswal again argued for abandoning the no-go policy. Steel minister Beni Prasad Verma supported the demand.
Gold advances on speculation

Bloomberg
Feb. 17

Gold advanced for a fourth day on speculation that rising consumer prices will boost investor demand and that India will stock up on metal.

Gold futures for April delivery climbed $5.70, or 0.4 per cent, to $1,380.80 an ounce by 8:21 a.m. on the COMEX in New York, bringing the gain this week to 1.5 per cent. Assets in gold-backed exchange traded products fell 0.6 tonnes to 2,016.41 tonnes on Wednesday, the lowest level since June 7, data compiled by Bloomberg from 10 providers show.

Platinum for April delivery increased 40 cents to $1,804.70 an ounce, and palladium for March delivery rose 65 cents to $839 an ounce. Silver for March delivery climbed 6.1 cents to $30.69 an ounce.

Bullion rates

Mumbai: Silver spot (999 fineness): Rs 46,795; standard gold (99.5 Purity): Rs 20,370; Pure gold (99.9 purity): Rs 20,470.

Chennai: Bar silver: Rs 46,920; retail silver: Rs 50,20; standard gold: Rs 20,470; retail ornament gold (22 carat a gm). Rs 1,904.
Rio Tinto looks to India, China for growth

Demand for minerals seen doubling in the next 10-15 years

Balaji R.
Sydney, Feb. 17

Rio Tinto, the third largest mining company in the world, estimates that the demand from China will be key to its growth, but inflationary trends will be a concern, according to Mr David Peever, Managing Director, Rio Tinto - Australia.

Rio Tinto believes that the demand for minerals and secondary metals will double over the next decade-and-a-half essentially driven by China.

India is also set to emerge a major production and market base for the company, with its economic growth along with that of China having a major impact on the mining sector, he said.

But the coming 10-15 years will not be without rough patches as inflationary pressures driven by the economic growth of the two of world’s largest economies, India and China, and the imbalances after the global financial crisis and removal of stimulus packages will take their toll. The company will focus on high output and relatively low-cost - tier-1 - mines, which it will expand.

Last year China accounted for about 28 per cent of Rio Tinto’s $14.32-billion revenue against 24 per cent in the previous year. China is the largest market for the company’s output, and Rio Tinto’s growth is occurring on the back of industrialisation of China, where the demand continues to grow quickly.

CAPACITY EXPANSION
Since the beginning of 2010 it has invested $12 billion in capacity expansion, with $9 billion going into iron-ore output growth mostly in Western Australia. That will see its iron-ore output of about 225 million tonnes grow to 283 million tonnes in two years, and will add as much in the next two years. It is adding a third of its capacity built over 50 years, in just five years. More than 75 per cent of its revenue is from iron ore. Expansion plans are in the pipeline at various locations across the globe.

Rio Tinto has also announced expansion programmes in India. While not on the scale of investments planned in Western Australia where the bulk of its focus will be, India will be one of its tier-1 locations, Mr Peever told a group of journalists from India on a tour organised by the Department of Foreign Affairs and Trade of the Government of Australia.

In India, Rio Tinto has announced a diamond-mine project in Bunder, Madhya Pradesh, where it plans to invest over $500 million. It also has a 51-per-cent stake in the joint venture with Orissa Mining Corporation for an iron-ore mining project in that State.
Asian appetite to lift gold demand

London, Feb 17: Gold demand is set to stay high this year as Indian and Chinese appetite for the metal sharpens, but fresh buying in developed markets of jewellery in particular will depend on economic outlook, the World Gold Council (WGC) said.

In its 2010 Gold Demand Trends report, released on Thursday, the WGC said demand hit a decade high of 3,812.2 tonne in 2010 as jewellery buyers returned to the market after the previous year’s near-absence and central banks became net buyers.

Early indications this year suggest buying interest in main consumers India and China will stay firm, it said.

“I think 2011 as a whole has a healthy outlook,” said Eily Ong, investment research manager at the WGC. “We continue to see the two largest markets, China and India, driving the market. There have been rising income levels, still-high saving rates and we still think strong economic growth will continue to push up gold consumption.”

The largest segment of gold demand, jewellery buying, rose 17% to 2,096.6 tonne last year despite record-high prices. Demand was particularly strong in the largest gold market, India, with Indian demand increased 69% to 745.7 tonne.

Indian consumer demand—which includes smaller coins and bars as well as jewellery—was up 86% to 963.1 tonne, while in China, it rose 29% to 607.1 tonne. Jewellery demand was soft last year after a hefty price rise, but seems to be recovering despite a further 30% climb in spot prices last year.

Gold traded at $1,374.60 an ounce late on Wednesday, having hit a one-month high of $1,381.84 an ounce, but still down around three percent since the beginning of the year.

“The jewellery sector enjoyed a very strong recovery in 2010,” said Ong. “This is very encouraging...it seems consumers, particularly the largest consumers, India and China, have adjusted to higher price levels.”

“Appetite is still non-stop, particularly in China,” she added. “From what we see at the start of the year, the trend is still ongoing.”

However, demand was softer in other key gold buying centres, such as the US, where jewellery buying slipped 14% last year. Italy, where it fell 18%, and the West Asia, where it dipped 7%. A recovery in jewellery buying there in 2011 will be dependent on economic conditions, Ong said.

Reuters
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Reuters
BUDGET EXPECTATIONS

Subsidies on food are likely to be increased in the budget. The move saves public finances but promises political dividends for a ruling coalition trying to cool discontent over high inflation. Some facts about subsidies and expectation from the budget.

**FOOD**
- India provides cheap grains and lentils to nearly 180 million poor families through PDS that will cost nearly $12.6 billion in the year to the end of March 2011, about 1% lower than the previous year.
- The subsidy accounts for about 5% of the budget.
- Finance minister Pranab Mukherjee is expected to increase the food subsidy bill by more than 20% to about $15.5 billion in the budget with an eye on important state elections over the next year.
- The government is also likely to spend more on increasing efficiency of storage and transport of staples.
- Excise or production tax on processed food could be cut.
- The government is drafting a food security law that would provide the poor with even cheaper grains, estimated to cost an additional $2 billion each year. But it is unlikely the budget would provide for it before the bill is passed.

**Wheat and rice:** The government may announce incentives such as an interest subsidy to boost storage capacity, routing such measures through FCI.

**Sugar:** India has yet to decide on exports of 5,00,000 tonnes of sugar under the OGL scheme, and the budget may touch upon this issue. With focus now on containing high food prices, the government may announce steps to ease stock limits for traders and bulk consumers. India allows duty-free imports of sugar, despite bumper output in 2010-11.

**Edible oil:** The government may reduce the 7.5% import tax on refined vegetable oils in line with duty-free imports of crude edible oils. The government may also explore options like curbing oilseed futures and cutting cooking oil taxes.

**Lentils:** Duty-free imports could continue and such supplies could also be exempt from all taxes levied by state governments and various local bodies that vary between 1% and 2%. A 15% subsidy to state-run agencies for pulses imports is likely to continue. An export ban ordered in 2006 is also likely to continue.

**METALS/MINERALS**

**Iron Ore:** The government may increase export duty from 5% to 10% to limit shipments and boost the availability of domestic steel makers.

**Gold/Precious metals:** Searching for extra revenue, the government may raise customs duty on gold and silver. Import duty on gold in India was increased to Rs 300 per 10 gm in February last year. Import duty on silver was raised to Rs 1,500 per kg.

**Non-Ferrous Metals:** The government may reduce the import duty to zero as record prices of industrial metals are hurting manufacturers of finished goods.

**Coal:** The government may reduce the import duty on coal to nil from 5.15% to increase shipments in the power-hungry nation.

**Steel:** The government may raise the import duty on hot rolled coils to 10% from 5% to encourage the growth of the domestic industry.
Q&A: PETER VARGHESE

We are on the cusp of a big rise in resource sector

Peter Varghese, Australian high commissioner to India, speaks to FE on bilateral trade ties

What is the status of trade relations with India?
Trade has been on an upward trajectory. India is the third largest market. In fact, we are on the cusp of the big rise in the resource sector.

Is there any particular sector where both countries can cooperate more?
There could be more cooperation in the agriculture sector with the growing Indian demands. There could be more investments in areas like dairy farms. Depending on how open the market is, we can sell wool too. We are also looking at Contract Mining possibilities. NTPC has recently given rights to explore for coal mines in India. To meet the target of coal production, NTPC signed an agreement with coal mining companies from Australia. This India, will start mining at the Pakri Barwadih Coal Mining project in Barkagaon block.

What is the position of India-Australia FTA?
We have done a feasibility study and is now with the Indian authorities. We are hoping that we start negotiations soon.
Coal GoM seeks Jairam’s response by March 15

Priscilla Jeebaraj

NEW DELHI: The next meeting of the Group of Ministers (GoM) on coal, which has been asked to sort out the thorny issue of mining in heavily forested areas identified as No-Go zones, will be held in mid-March.

According to sources at the GoM’s meeting on Thursday, Minister of State for Environment and Forests Jairam Ramesh was given a deadline of March 15 to respond to the proposals put forward by the Steel and Coal Ministers as well as the Planning Commission with regard to forest clearances for coal mining in these areas. Finance Minister Pranab Mukherjee reportedly made it clear that the GoM, which he chairs, “is not here to substitute the role of the Ministry of Environment and Forests” or to replace any environmental laws.

According to the sources, the two infrastructure Ministries asked for a re-examination of the whole classification of Go and No-Go zones, urging a return to the basics outlined in the Forest Conservation Act.

The Environment Ministry, on the other hand, has always insisted that the joint study, which produced the classification, was merely a tool to help the implementation of the Act.

On proposals regarding forest clearances

Re-examination of classification of Go, No-Go zones sought

Jointly by the Ministries of Coal and Environment, originally identified 43 per cent of the area of nine major coalfields as lying in No-Go zones. However, after a process of rationalisation, only 23 per cent of the area will lie out of bounds for coal mining.

The meeting was attended by the Ministers of Home, Finance, Coal, Steel, Power, Highways and Environment, among others.

A group of activists is demanding that vital decisions regarding the future of 12 lakh acres of forests and coal reserves should not be taken by a small group of Ministers alone: they want public consultations with all stakeholders and experts, according to a petition signed by 34,000 people submitted to the Finance Minister’s office by Greenpeace activists. Interestingly, they also point out the exclusion of the Tribal Affairs Minister from a GoM deciding the fate of areas that are also the home of tribal communities and are, therefore, protected by the Forest Rights Act.

Planning Commission Deputy Chairman Montek Singh Ahluwalia (left) and Minister of State for Environment and Forests Jairam Ramesh come out after a meeting of the Group of Ministers on Coal in New Delhi on Thursday.

PHOTO: PTI/ SUBHAV SHUKLA