Mines ministry seeks expedition of projects

Several projects including roads, ports pending for many years

Ajith Athrady

NEW DELHI: To facilitate smooth movement of ore in the country, the Ministry of Mines has asked the Planning Commission to expedite the pending infrastructure projects in mineral-rich states.

"The ministry has requested the plan panel to take up the issue with the ministries of Railways, Shipping, Road Transport, Civil Aviation and Power for expediting infrastructural projects in mineral-rich states," an official with the Mines Ministry said.

According to Mines Ministry officials, several projects including roads, port development and railway connectivity across the country have been pending for the past many years due to various reasons including land acquisition and court litigation.

Construction of several port-connecting highways, including building a four-lane expressway from B C Road to Suratkal in Dakshina Kannada district, have been moving at snail’s pace due to problems in land acquisition. The 37-km road construction was started in 2005 and was supposed to be completed in 30 months.

Another major port-connecting project pending in Karnataka was the 167-km Hubli-Ankola railway line. Though the project was to be completed in October 2009, it is still awaiting clearance from Environment Ministry, as the proposed line is passing through dense forest. Also, in the absence of a direct railway line between Bellary and Karwar port, number of exporters are forced to send their ore from ports in Goa.

Several MPs from northern Karnataka region have been urging the Centre to take immediate steps to construct this railway line.

The ministry also urged the Commission to take up the pending port improvement projects including development of inland waterways and installing better navigational aids.

As the Centre finalises the proposed Mines and Minerals (Development and Regulation) Bill 2010, where mining companies have to share 26 per cent of their profit with the affected people, the Ministry wants to provide better infrastructure to the sectors connected to mining.

DH News Service
INDUSTRIAL COMMODITIES TO SHINE THIS YEAR: ANALYSTS

Base metals and bullion may offer up to 15-25% returns on improved demand

DILIP KUMAR JHA
Mumbai, 18 January

Industrial commodities, including base metals and bullion, are likely to continue their upward march this year on the back of supply concerns and higher demand.

Base metals and bullion could offer up to 15-25 per cent returns, as demand from both retail and industrial consumers is set to hit the pre-economic crisis level, especially from emerging markets.

Independent global advisory firm Barclays Capital has forecast that aluminium will average $2,500 a tonne this year as against $2,200 a tonne in the previous year. The current price is $2,433 a tonne. Copper is expected to rise to $8,550 a tonne from $7,540 a tonne. Nickel and zinc are expected to move in line, to average $8,035 a tonne and $2,838 a tonne respectively, this year, as against $8,203 a tonne and $2,209 a tonne respectively, last year.

Experts believe the economic crisis being faced by small European countries like Greece and Ireland has the potential to destabilise the euro. The crisis could easily cross the Atlantic, as America comes out with yet another economic booster by pumping in fresh funds into the system to increase long-term investments, especially in infrastructure. As a result, the demand for base metals is set to increase.

On the other hand, the economic crisis in Europe may force funds to choose precious metals as their preferred investment avenue.

Bullion is promising to set new records. Gold prices may move between $1,500 and $1,600 an oz in 2011, as the metal continues to provide a hedge against the persistent quantitative easing and weakness in fiat currencies. At some stage, a sustainable economic recovery might challenge precious metals, said an analyst with Regal Commodity. Silver is expected to be volatile in 2011 and stay between $35 and $37 an ounce (Rs 50,000-56,000 a kg) in the international market. The broking firm expects crude oil to rally towards $100 a barrel initially and says surpassing the level can result in a further rise towards $120-$130 a barrel, while natural gas is estimated to trade at $240-285 a mmBtu. The volatility, however, is expected to persist and only a sustained movement above $285 a mmBtu should unleash a persistent bull run in gas.

We see ample potential for demand in the region to return to the pre-crisis levels, which, together with the emerging markets hitting the critical mass, suggests the supply response will have to be increasingly impressive or the call on inventories will intensify. Add restocking into the mix and 2011 could transpire to be another year when demand surprises to the upside, said an analyst with Barclays Capital.

Driven by rising demand, the ongoing economic recovery and tightening market balances, prices of industrial commodities surged in 2010. The most important factor has been the strength of the recovery in demand, which will be a record high for all base metals, except tin, this year. Emerging market demand was the single biggest swing factor, coming in well above market forecasts. The biggest surprise is the scale of the recovery in OECD demand, particularly in Europe. Demand can hit a record high with OECD still below pre-crisis levels for many metals is a true reflection of the structural rebalancing of the base metals towards the emerging markets. But do not discount OECD just yet, says the report.

Copper prices jumped to a record in December after China increased imports for the first time since August and there was supply disruption from Chile’s Collahuasi mine due to an accident. Copper is rising and new records can be expected, as the global supply shortage offers fundamental support and money continues to flow in amid investment demand, says an analyst with Regal Commodity.
Cabinet rejig today, another likely within few months

New Delhi: The Congress leadership will take the first step towards the revamp of the government and the organization with a ministerial reshuffle on Wednesday that is to be followed by a shake-up in the party.

The exercise is expected to be modest in scope with more changes in government after the Budget session of Parliament. "It is an interim measure," a source said.

New ministers will be sworn in at 5pm on Wednesday, while the changes in the portfolios will be announced later.

Prime Minister Manmohan Singh and Congress president Sonia Gandhi, who met on Tuesday, will fill in gaps in the Cabinet and elevate some ministers as well. The reshuffle is happening with Congress trying to address a image crisis created by a series of corruption cases.

The second phase of Cabinet changes will happen after the Budget session concludes in May.

Gill may go for CWG mess, P 13
M S Gill may lose sports ministry over Games mess

By that time, results of the assembly elections in West Bengal, Kerala, Assam and Tamil Nadu will have come giving the party clarity on its equations with allies. Some ministers like Salman Khurshid, Jairam Ramesh and Sripriyakash Jaiswal are tipped for promotion to cabinet rank. Minister of state for fertilizers Shrikant Jena is another probable for an upgrade. In his case, it will entail a change of portfolio as well.

Civil aviation minister Praful Patel, who belongs to the NCP, may also be elevated to cabinet rank if the exercise extends to allies. NCP chief Sharad Pawar has asked for a cabinet rank for his close aide Patel. NCP sources were confident of Patel’s promotion. Pawar, who holds the charge of agriculture and food ministries, is likely to shed the latter, though it is not clear whether the pruning will happen straightaway or post-budget.

DMK’s TR Beshu can hope for a return to the cabinet if the allies are also involved. There may be a new mines minister as incumbent B K Handique wants to move out for health’s reasons. Handique met Congress chief Sonia Gandhi on Tuesday.

Sports minister M S Gill, under fire for mishandling Commonwealth Games preparations, is among those likely to be dropped, though some in the party feel that he should be persisted with till the probe into the Games scam gets over. Portfolios of some others, particularly those handling infrastructure min-

istry like steel, heavy industries and power are likely to be changed. However, Kapil Sibal may hold on to the dual responsibilities of HRD and telecom. Some ministers may be shifted to the organisation. Tribal af-
fairs minister Kantilal Bhuria who met Sonia on Tuesday is in the running for Madhya Pradesh party chief’s post. With the exercise unfolding when Congress needs to refurbish the government’s image, efficient and clean governance are the buzzwords. The vacancy of MoS in PMO might be filled by Delhi MP Ajoy Maken who occupies that slot in the ministry of home affairs. He would replace Prithviraj Chavan who is now Maharashtra CM. The PM also has to fill the vacancy in the MEA caused by Shashi Tharoor’s resignation. The possibility of Khurshid and Jaiswal being elevated are linked to party’s preparation for UP polls.
एतिहासिक अन्याय के विरुध्द

पाठ | जनवरी को उत्तराखंड में एक ऊर्जा हल्का मात्रता पूर्वक स्थापित। यह एक नया नामधारी की जगत बना रहा है, जो निविदा अभियानों के जीवन में है, उसे कई नए उद्योगों और उद्योगीय थियोजॉगियों में समर्पित किया गया है। उद्योगों का अधिकांश भाग जिन निविदा अभियानों में समर्पित है, उनमें जीवन अभियानों की जगत बना रहा है।

उद्योगों का उत्तराखंड नए नामधारी एक जगत बना रहा है, जिसमें निविदा अभियानों की जगत बना रहा है, उनमें जीवन अभियानों की जगत बना रहा है।

उद्योगों का उत्तराखंड नए नामधारी एक जगत बना रहा है, जिसमें निविदा अभियानों की जगत बना रहा है, उनमें जीवन अभियानों की जगत बना रहा है।

उद्योगों का उत्तराखंड नए नामधारी एक जगत बना रहा है, जिसमें निविदा अभियानों की जगत बना रहा है, उनमें जीवन अभियानों की जगत बना रहा है।
Minor reshuffle today, next one after Budget

SWEARING-IN AT 5 PM Gill, some others could be on their way out

EXPRESS NEWS SERVICE
NEW DELHI, JANUARY 18

PRIME Minister Manmohan Singh will carry out a reshuffle in the Union Council of Ministers on Wednesday. A larger, full-fledged reshuffle will take place after Parliament’s Budget session.

Tomorrow’s reshuffle, official sources said, will be “medium-sized”, and will involve fewer than 10 ministers. The inductees will be sworn in at Rashtrapati Bhawan’s Ashok Hall at 5 pm.

Minister of State (Independent charge) Praful Patel is likely to be elevated to Cabinet rank. The NCP had earlier proposed to the Congress that in lieu of another Cabinet berth, Agriculture Minister Sharad Pawar was prepared to give up Consumer Affairs, Food and Public Distribution, while retaining Agriculture.

Kapil Sibal is likely to retain both Human Resource Development and Telecom. His Science & Technology portfolio was considered for promotion to Cabinet rank, it was reliably learnt.

Gonda MP Beni Prasad Verma, a prominent Kurmi leader from Uttar Pradesh, was also in the race for a Cabinet berth, but sources said the Prime Minister and Congress president Sonia Gandhi would take the final call only on Wednesday.

Although senior DMK leader T R Baalu was being considered as a replacement for A Raja, sources said that the quota of coalition ministers...
Minor reshuffle today

partners, including an MoS berth due to Trinamool Congress, could be filled only in the next round of reshuffle.

Among the younger MPs, Manish Tewari (Ludhiana) and Manicka Tagore (Virudhunagar) were in the race for berths. The Prime Minister is set to fill the vacancies of MoS, PMO, and MoS, Ministry of External Affairs, vacated by Prithviraj Chavan and Shashi Tharoor respectively.

There was a question mark on the fate of Sports Minister M S Gill, who has had a lacklustre tenure. There was also uncertainty about the fate of Kamal Nath, Ghulam Nabi Azad, Vilasrao Deshmukh and C P Joshi.

Miners Minister B K Ilandique has not been keeping well. Steel Minister Virbhadra Singh and Tribal Affairs Minister Kantiilal Bhuria called on Sonia Gandhi on Tuesday afternoon, but sources said they had prior appointments.

"The total induction in this round of reshuffle is unlikely to touch even double digits. The Prime Minister wanted to give a message that the UPA government will act tough on corruption and non-performance, and also on those involved in infighting. But given the fact that it is a medium-sized reshuffle, we don't know to what extent he will be successful in implementing it," said an official source.

During the day, the Prime Minister, Sonia Gandhi, and her political secretary Ahmed Patel met for two hours at the PM's residence to give final touches to the proposed changes.
PM TO RESHUFFLE CABINET TODAY

Complex exercise, outlines still undecided

The reshuffle will take place at 5 pm in Rashtrapati Bhavan on Wednesday, following consultations between Prime Minister Manmohan Singh (right) and Congress President Sonia Gandhi earlier on Tuesday.

BS REPORTER
New Delhi, 18 January

The first reshuffle of the United Progressive Alliance government’s council of ministers which assumed office in May last year will take place at 5 pm in Rashtrapati Bhavan tomorrow, following consultations between Prime Minister Manmohan Singh and Congress President Sonia Gandhi earlier today.

The reshuffle comes as a harried government tries to fight charges of mismanagement, corruption and drift. The reshuffle is intended as much to streamline governance as it is to change the optics. Several vacancies — the resignation of A Raja from the telecommunications ministry following corruption charges, the shifting of Prithviraj Chavan from the Prime Minister’s Office to Mumbai as Chief Minister, and the resignation of minister of state for external affairs, Shashi Tharoor — have to be filled. The culture portfolio is with the Prime Minister. Kapil Sibal is handling two portfolios, human resource development and telecom. Health minister Ghulam Nabi Azad is holding in his charge not only the ministry of health but important states like Karnataka.

The party and government will have to decide whether to shift minister for power Sushilkumar Shinde and heavy industry minister Vilasrao Deshmukh in view of their alleged involvement in the Adarsh land case. Some Congress politicians argue they are as culpable as former Chief Minister Ashok Chavan, who was asked to quit.

Moreover, the states of Chhattisgarh, Jharkhand and Goa have no representation in the council of ministers at all.

As the reshuffle has to fill a post created by an ally, the interesting question that will be anwered tomorrow is whether the Dravida Munnetra Kazhagam will get the same portfolio back or have to opt for another one. Moreover, the reshuffle will involve allies. In the past, civil aviation minister Praful Patel has expressed the wish to be shifted elsewhere, as he has occupied the same post for six years.

There is an argument that faced as it is with food inflation-related problems, a rationalisation of portfolios and ministerial charge could make for better management. Although Nationalist Congress Party (NCP) leader Sharad Pawar is too important a leader to be moved, some administrative tinkering with his charge — agriculture, food and civil supplies and consumer affairs — could convey the impression that the administration is being toned up.

 Mines Minister B K Handique may be given a charge that is less stressful. At the recent party convention in Delhi, party head Sonia Gandhi had made two points — that the government must look younger and party workers must be given primacy by the government. Whether some people will be pushed from the party into the government and, by the same logic, ministers drafted for party work remains to be seen.
3 Tata JVs in Aerospace SEZ

Press Trust of India

HYDERABAD, 18 JAN: Following Tata Group chairman, Mr Ratan Tata’s announcement that Hyderabad will be made their aerospace hub, the company is setting up three joint venture projects in the Aerospace Special Economic Zone (ASEZ) at Adibhatla near here with an outlay of Rs 1,000 crore.

Nova Integrated System for manufacturing radar and electronic equipment for Defence, Tata Aero-structure Limited for assembling of aircraft equipment and Tata Aerospace Systems Limited for manufacturing aircraft parts are the three projects announced by the company.

The trio will collaborate with overseas partners for setting up the units.

Nova Integrated System chief executive officer and managing director, Mr Ajit Bhavnani met the Andhra Pradesh chief minister, Mr N Kiran Kumar Reddy here yesterday and discussed the proposed projects, said official sources in the chief minister’s Office.

“The three projects will attract an investment of Rs 1,000 crore and provide direct employment to 1,000 people. The government is in the process of allotting 125 acres of land in the SEZ to the companies,” the CMO sources said.

Tata Aerospace Systems, a Tata Group company, has already established its unit at the SEZ for manufacturing helicopter cabins with an investment of Rs 1,000 crore. It was during the inauguration of this facility in November last that Mr Tata announced his group’s proposal for establishing aerospace and Defence clusters in Hyderabad.

The three overseas partners with whom the Tatas would collaborate would visit India next month for the Aero Show in Bangalore.

“The Tatas would like to conduct ground-breaking ceremony for the projects during February in the presence of their overseas partners,” said a state government official.

European operations

A day ahead of its follow-on public offer, Tata Steel today said it will double its investments on European operations to 400-425 million pounds (Rs 2,900-3,000 crore) annually in the next couple of years to increase productivity.

“Our focus in Europe is on restructur-
## PRICE CARD

<table>
<thead>
<tr>
<th>METALS ($/tonne)</th>
<th>International</th>
<th>Domestic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>2,439.00</td>
<td>2,883.56</td>
</tr>
<tr>
<td>Copper</td>
<td>9,690.00</td>
<td>10,587.72</td>
</tr>
<tr>
<td>Nickel</td>
<td>25,990.00</td>
<td>27,426.81</td>
</tr>
<tr>
<td>Lead</td>
<td>2,720.00</td>
<td>2,597.40</td>
</tr>
<tr>
<td>Tin</td>
<td>27,005.00</td>
<td>31,036.76</td>
</tr>
<tr>
<td>Zinc</td>
<td>2,446.50</td>
<td>2,949.59</td>
</tr>
<tr>
<td>Steel-HRC</td>
<td>667.00</td>
<td>864.01</td>
</tr>
<tr>
<td>Gold ($/ounce)</td>
<td>1,368.07*</td>
<td>1,388.45</td>
</tr>
<tr>
<td>Silver ($/ounce)</td>
<td>28.75*</td>
<td>30.82</td>
</tr>
<tr>
<td>CRUDE OIL ($/bbl)</td>
<td>96.79*</td>
<td>94.57</td>
</tr>
</tbody>
</table>

| AGRI COMMODITIES ($/tonne) | Europe | |
|---------------------------|--------|
| Wheat                     | 303.26 | 307.95 |
| Maize                     | 320.66*| 235.86 |
| Sugar                     | 777.00*| 642.97 |
| Palm oil                  | 1,240.00| 1,328.09|
| Rubber                    | 5,487.15*| 4,958.76|
| Coffee Robusta            | 2170.00*| 1,683.91|

Conversion rates: 1) 1 ounce = 31.1032316 grams.
2) 1 US dollar = ₹65.43
3) As on Jan 18, 1800 hrs IST

Note:
1) International metal prices are LME spot prices and domestic metal are
Mumbai local spot prices, except for steel.
2) International crude oil is Brent crude and domestic crude oil is Indian basket.
3) International wheat, white sugar & coffee robusta are LIFFE future prices of
near month contracts.
4) International maize is MATIF near-month futures, rubber is Tokyo-TOCOM
near-month futures and palm oil is Malaysia POB spot price.
5) Domestic Wheat & Maize are NCDEX future prices of near month contract,
Palm oil & Rubber are NCDEX spot prices.
6) Domestic coffee is Karnataka robusta and sugar is M30 Mumbai local spot price.
7) International metals, Indian basket crude, Malaysia palm oil, Wheat LIFFE and
Coffee Karnataka robusta penalty to previous day's price.

Source: Bloomberg
Compiled by BS Research Bureau
PM meets Sonia to finalise rejig plan for cabinet

By Mail Today Bureau

Prime Minister Manmohan Singh may have a new ministerial team soon.

The much talked about reshuffle of Union council of ministers is expected to take place on Wednesday. Rashtrapati Bhavan sources, however, said they have not received communication from the government about the swearing-in of new ministers.

The PM, Congress president Sonia Gandhi and her political secretary Ahmed Patel met on Tuesday to give final touches to the rejig.

Since last week, the trio has held five rounds of meetings, fueling speculation that a substantial party-government shake-up is in the offing.

Sources said if everything goes by the script, the Congress may effect a major revamp of the party, too, on Friday.

Sources said incumbents likely to be inducted into the ministry will be informed of it late on Tuesday. Home minister P Chidambaram is keen to go back to the finance ministry but there is no official word on it.

Revamp to focus on inducting young faces

The revamp will be focused on infrastructure ministries and on giving adequate representation to election-bound states. It will also focus on replacing some non-performing, tainted and ageing ministers with young faces.

K.C. Venugopal, MP from Alappuzha, on Tuesday night confirmed his induction into the ministry. He will replace Shashi Tharoor.

The ministerial shuffle was delayed as Sonia was not ready with the blueprint of the reshuffle of AICC and reconstitution of the Congress Working Committee. Since more than half-dozen ministers are holding dual positions as AICC general secretaries and in-charge of states, a ministerial shuffle has to be synchronised with that of the party.

Tribal affairs minister Kantilal Bhuria, steel minister Virbhadra Singh, mines minister B.K. Handique met Sonia on Tuesday, triggering speculation that they may be dropped and given party work.

Minister of state for parliamentary affairs V Narayanasamy also met Sonia raising speculation that he may be given an important portfolio such as Railway in the PMO. MPs Janardan Dwivedi and Navin Jindal, and finance minister Pranab Mukherjee also met Sonia.

Apart from filling the four vacancies created by the resignation of Pithapuram Chavan, Shashi Tharoor, A. Raja and Meira Kumar, sources said, changes are likely in the ministries of steel, tribal affairs, law and justice, parliamentary affairs, HRD, minority affairs and shipping.

Assam is likely to get representation in the cabinet in the form of a replacement for Handique, who has not been keeping well of late.

Trinamool Congress is expected to get an additional berth, while the DMK is expected to get a slot in the place of Raja.

There is speculation that Salman Khurshid and Jairam Ramesh of the Congress and Pratul Patel of the NCP could be elevated to Cabinet rank from the status of MoS independent charge. Khurshid, who is now in charge of corporate affairs and minority affairs, could move to the law ministry in place Veerappa Moily who could be shifted to human resource development, according to talk in the Congress circles. The name of Janardan Dwivedi is also doing the rounds for HRD.

Reports also suggest that C.P. Joshi (rural development), Vilasrao Deshmukh (heavy industry) Handique (mines) may also be drafted for party work.
The recent ebullience in the LME metal market has been accompanied by a further marked shift in forward curve structures. Spreads across just about all the major contracts have tightened appreciably over the last few weeks. A combination of higher outright prices (and resulting short-covering), index re-weighting and end-year book-squeezing may all be in the mix.

But that shouldn’t detract from the broader multi-month trend. Back at the start of 2009, all the major metals were in contango as unsold metal poured into warehouses at the market of last resort. Even copper, defined by an underlying tendency towards supply deficit, low exchange stocks and backwordation, was caught up in the general shift to higher forward prices.

By the middle of last year, things had started changing. Copper had reverted to its “normal” backwordation structure. So too had nickel. Only aluminium and zinc were still in sizeable forward contango. Fast forward to the start of this year and the trend has accelerated further. The forward backwordation in copper and nickel has steepened, while the contango in aluminium and zinc has flattened. Contrary to popular myth, forward prices are not an indication of where the price will actually be trading at any time in the future. But the shape of the curve is significant because of how it influences investor sentiment, which in turn has ramifications for outright price, LME stocks availability and physical market premiums.

Passive “buy-and-roll” investors don’t much like contango structures. Rolling positions into higher-priced forward months eats into returns. The technical term is “negative roll yield.”

Stocks financiers love them though. What LME veterans still call the “cash-and-carry trade” allows an investor to buy cash and simultaneously sell forward, “earning” the difference between the two prices.

The costs of borrowing the money to pay for the metal in the first place and of storing the metal in warehouses must be factored in to arrive at a net rate of return. There was a boom in such financing deals in late 2008 and early 2009. Money was cheap as central banks slashed interest rates to near zero and the forward aluminium curve, the steepest of them all, could generate mouthwatering returns of 30% and over depending on what sort of term was locked in.

The market has been living with the consequences ever since. Aluminium has been prone to sporadic cash-date tightness as unwary shorts have mistaken high stocks for metal availability, an understandable but costly calculation when so much of what is in LME warehouses is locked up in financing deals. Aluminium consumers have been paying high physical premiums, having learnt the lesson that on the LME, what you see is very much not what you get. The flattening of the aluminium forward curve has all but wiped out those bumper returns of two years ago.

At the moment, the cash-to-15-month spread would generate a gross return of just 2.8%. The nature of the curve is such that the yield improves over longer time frames. For example, buying cash and selling 36 months forward would improve that gross yield to 4.9%. And this is where the net deductibles come into play. Money hasn’t got any more expensive in the intervening two years, or at least not in the major G7 economies, which means that everything comes down to the costs of storage. The “tight” warehousing deal could still make a far-dated financing deal attractive. The “wrong” one and the net rate of return shrinks to next to nothing.

LME warehouse rents are as flexible as a piece of string, but obviously those players with tied warehousing companies, such as JP Morgan Chase (Henry Bath) or Goldman Sachs (Metro), have a dear advantage here.
Nickel at 8-month high on stronger Chinese demand

MOSCOW: Nickel rose to an eight-month high in London as a report showed stronger demand for the metal in China. Copper climbed as Rio Tinto Group said production fell. Nickel usage in China gained 20% from a year earlier to 45,000 tonne in November, the International Nickel Study Group said in a report on Monday. Demand increased 3.4% from October, it said. Global usage of nickel, used to protect stainless steel against corrosion, climbed 12% from the prior year, it said. “Chinese demand was strong, and this accords with anecdotes in the new year that stainless-steel producers are busily restocking and filling 2011 hedging mandates,” said David Thurtell, an analyst at Citigroup in London.
NALCO inks Rs 400-cr titanium pact

BHUBANESWAR, Jan 16 (IANS): Two public sector companies, the National Aluminium Company Ltd (NALCO) and Indian Rare Earths Ltd (IREL), have signed a pact to set up a titanium plant at an estimated cost of Rs 400 crore in Orissa’s Ganjam district, a senior NALCO official said Saturday.

Nalco’s director (finance) BL Bagra said NALCO and IREL will have 49 and 51 per cent stake respectively in the project planned at Chhatrapur, about 157 km from Bhubaneswar to make value-added products from beach sand minerals, which would subsequently be used for making titanium and allied products.

He said both the companies will establish a joint venture company soon. “The new company will buy ilmenite, the basic raw materials from IREL at market price,” Bagra told IANS, adding that the construction of the plant should start in one year.

Titanium has a strategic importance for the country and is a key material used in space, aviation, nuclear, automobile, and paint industries, a statement said.

There being no production of the mineral in the country, the need is met by imports. On the other hand, beach sand - the basic raw material for production of titanium - is available in huge quantities with IREL and is exported without value-addition, it said.
Pre-clearance for new projects: Jairam backs CII suggestion

Our Bureau
New Delhi, Jan 18

The Union Environment Minister, Mr Jairam Ramesh, has backed the Confederation of Indian Industry’s idea that the ministries concerned get all clearances for natural resource based projects such as coal, iron ore and bauxite mining before the bidding process starts.

The CII President, Mr Harid Bhartia, had broached the idea of a pre-clearance and competitive bidding process for all natural resource based projects with the Environment Minister at a closed door session on Tuesday. Such pre-clearances and competitive bidding could be on the lines of New Exploration and Licensing Policy (NELP) for oil and gas sector.

The Minister sought to allay the industry’s concerns on the issue of environment becoming a constraint for economic growth at the CII session. Mr Ramesh proposes to hold a similar discussion with members of the Federation of Indian Chambers of Commerce and Industry (FICCI) on January 24. A joint advisory council with industry members on board is being considered to review and suggest changes to the regulatory framework.

ENVIRONMENTAL REGULATIONS

Pointing out that most of the delays in project clearances pertain to the forest clearances in the mining sector where the State Governments were involved, Mr Ramesh said the problem was not with environmental approvals.

Stating that his recent actions against certain projects were not “too motu” but based on the representations of civil society and non-governmental organisations, Mr Ramesh said the questions and closure orders on projects were raised only when basic environmental regulations were not met.

Mr Ramesh told CII members that the Government was trying to bring in relevant and solution-oriented regulations such as fuel efficiency standards for vehicles and market-based instruments such as the Perform Achieve Trade (PAT) scheme for energy efficiency, and also modifications in existing regulations, such as the Coastal Regulatory Zone (CRZ) amendments, 2011.

>> More on the Web:
www.businessline.in
webextras
Fizzless Cabinet rejig today

Major shake-up unlikely, hopefuls make beeline to Sonia’s residence

ANNAPURNA JHA  NEW DELHI

Prime Minister Manmohan Singh and Congress president Sonia Gandhi held parleys on Tuesday, giving final touches to the proposed Cabinet reshuffle. Aspirants made a beeline for Gandhi’s residence before the revamp, scheduled to take place on Wednesday evening.

Gandhi, along with political secretary Ahmad Patel, met Singh for about two hours at his residence, where they are understood to have discussed the probabilities. Finance Minister Pranab Mukherjee also met Gandhi to discuss the proposed changes.

Later, a number of leaders — including Navin Jindal, Janardan Dwivedi, Virbhadra Singh, Kantiilal Bhuria and V Narayanswami — met her, giving rise to political speculation.

The reshuffle may be a tame affair as major portfolios — like Finance, Home, External Affairs and Defence — are likely to remain unchanged. The exercise will primarily focus on filling vacancies and infusing “young blood” into the Government.

While some juniors Ministers are likely to be drafted, Ministers of State like Salman Khursheed and Praful Patel may be elevated to Cabinet rank and some portfolios may be shifted for more efficient governance and countering Opposition attack in Parliament during the Budget Session.

Young faces like Navin Jindal and Manish Tewari may be included in the Cabinet to lower the average age of Ministers, while Vyortiraditya Scindia may be given the slot vacated by former Minister of State for External Affairs Shashi Tharoor.

Steel Minister Virbhadra Singh, Tribal Affairs Minister Kantiilal Bhuria and Mines Minister BK Handique are likely to be dropped from the Cabinet, according to sources. Some of them, including Rural Development Minister CP Joshi and Heavy Industries Minister Vilasrao Deshmukh, may be brought in.

The Cabinet will also be revamped after reshuffle to make it more effective. Kapil Sibal — who holds the portfolios of Telecom, Human Resource Development and Science & Technology — may get to shed one. The Congress is keen on retaining Telecom and feels Sibal was doing a fine job defending the UPA Government in the 2G scam.

NCP leader Sharad Pawar, who holds Agriculture and Food & Civil Supplies, may also give up one portfolio. His party apparently also wants elevation of Minister of State for Civil Aviation Praful Patel to Cabinet rank.

The DMK, whose Minister A Raja had to resign earlier, is also reportedly pressing for filling up its quota and there is possibility of TR Baalu being reinducted into the Cabinet.

Another ally, the Trinamool Congress, is also reportedly pressing for one more berth and its probable candidate is Sudeep Bandhopadhyay.

Since the UPA Government is facing a tough time in countering the Opposition in Parliament — which resulted in the Winter Session being washed away — it is likely that Ghulam Nabi Azad may be given the portfolio of Parliamentary Affairs on the basis of past experience.

However, as he has vast experience in delivering victories in Kerala, Karnataka and Andhra Pradesh Assembly polls, he may be given an important post in the party organisation despite the Congress planning to follow the ‘one man-one post’ policy.

According to sources, a change of portfolio for Law Minister Veerappa Moily cannot be ruled out and he may be given the HRD Ministry.

Chhattisgarh, which is not properly represented in the Union Ministry, may also see the inclusion of one candidate.
Copper rises as equities surge

Reuters

London, Jan. 18

Copper rose on Tuesday as the dollar fell and European equities surged to a 28-month high on signs of improving economic growth and better prospects for industrial metals demand.

Three-month copper on the London Metals Exchange, untraded in rings, was quoted at $9,714.715 a tonne, after closing on Monday at $9,630 a tonne. Nickel rose to $26,300 in rings from Monday's $25,835 a tonne close.

Lead was at $2,659 in rings from a close of $2,645. Zinc, untraded in rings, was quoted at $2,454.457.

LME aluminium was quoted at $2,460.462. Tin was quoted at $27,000/27,005 from $26,925.
Gold advances on concern over Europe debt

Bloomberg
Jan 19
Gold gained for a second day in New York as a price drop in the past two weeks spurred physical buying in Asia and on concerns that Europe’s sovereign-debt crisis may linger.

Gold for February delivery rose $10.80, or 0.8 per cent, to $1,371.90, an ounce on the COMEX at 8:19 a.m. in New York.

Bullion for immediate delivery gained $9.58, or 0.7 per cent, to $1,372.22 an ounce.

Platinum for April delivery rose 0.7 per cent to $1,823.60 an ounce on the New York Mercantile Exchange.

Palladium for March delivery gained 1.4 per cent to $805.75 an ounce. Silver for March delivery increased 1.8 per cent to $28.840 an ounce on the COMEX.

Bullion rates
Mumbai: Silver spot (999 fineness): Rs 45,010; standard gold (99.5 Purity): Rs 20,280; Pure gold (99.9 purity): Rs 20,880.
New joint ventures for potash mining

Eight companies from India and abroad have shown interest in the project.

JAIPUR: The Rajasthan Government has decided to mine potash in an area measuring 878 hectares in Hanumangarh district through joint ventures involving 51 per cent stake of the public sector Rajasthan State Mines and Minerals Limited. The process for selecting the joint venture partners would be completed within the next four months.

According to an official release, eight companies from India and abroad made presentations before a committee appointed by the State Government for the purpose here on Monday. The joint venture partners for the remaining 49 per cent stake would be selected from among these firms.

The companies included the Steel Authority of India Limited, Zuari Industries Limited, Raj Minerals Limited, Kaushalya Infrastructure Development Corporation, Soma Enterprises, DMT of Germany and AKSU of Turkey.

The release stated that the "requests for proposal" would be obtained in the next phase of the process. The joint venture partners would be selected on the basis of technical and financial assessment of all the contenders.
Gold advances again on renewed investor demand

SEOUL: Gold gained for a second day in London as a price drop in the past two weeks spurred physical buying in Asia and on concerns that Europe’s sovereign-debt crisis may linger. Investors sold the euro zone’s wires are likely to persist, even after euro-area finance ministers pledged to strengthen a safety net for debt-strapped countries. Spot gold has dropped 3.6% this year. Prices are “starting to look attractive to Asian buyers,” Andrey Kryuchenkov, an analyst at VTB Capital in London, said in an e-mailed report on Tuesday. While successful sovereign debt auctions in the region removed some support from prices last week, “economic uncertainty in the monetary union remains,” he added.

Bullion for immediate delivery gained $7.63, or 0.6%, to $1,370.27 an ounce.
Mines, MoEF min at odds over green nod

Abantika Ghosh

New Delhi: The ministries of mining and environment could be on a collision course again. The ministry of environment and forests’ (MoEF) proposal that inter-linked projects have to submit a common environment impact assessment (EIA) report and simultaneous applications for green clearance for all components has come in for severe criticism from top mining officials, arguing it as “not logical”. They cite the National Mineral Policy, which clearly states that mining is a standalone industry.

MoEF, in an order issued in December, had insisted on a common EIA report for inter-linked projects having multi-sectoral components to preempt companies from getting piecemeal environmental clearance by not showing the full extent of the impact. Posco integrated steel project in Orissa is a recent case in point.

“You have to understand that sub-projects of the integrated plan can be free-standing industrial processes. It is just incidental that the same company does it. Then, it does not seem all that logical to say that clearances have to be obtained all together,” said S Vijay Kumar, secretary of mining: “The only situation in which this is valid,” he added, “is when the input of one project is wholly dependent on the output of another and the raw materials cannot be sourced from the market.”

Officials in the mining ministry say there is a lot of resistance among companies and industry experts about the feasibility of the new proposal. But, the ministry doesn’t want to be seen as taking up cudgels for anybody.

Officials say it is not that the mining ministry is not concerned about environment. And, the proposal in the draft amended MMDR Act, which sets five hectares as the minimum for minor minerals and 10 hectares as the minimum for major ones, is a proof of that.
Reshuffle today, non-performers may be axed

CHANGE Nominees of Trinamool, DMK and a Muslim face likely to be included in Cabinet

HT Correspondent
w: htlive@hindustantimes.com

NEW DELHI: The first ministerial reshuffle since the UPA returned to power in mid-2009 is expected to be an attempt to refurbish the image and tone up the performance of the government. As Prime Minister Manmohan Singh and Congress chief Sonia Gandhi finalise the changes on Tuesday, Congress sources indicated it would be a reasonably ‘serious’ exercise that may place many ministers in ‘danger zone’ while rewarding those seen as efficient.

Four major portfolios — Finance, Home, Defence and External Affairs — won’t be disturbed. Kapil Sibal, who was handed the telecom portfolio to carry out a clean-up following DMK nominee A Raja’s involvement in the 2G spectrum controversy, will continue to remain in charge of the ministry. Besides, he was likely to continue to look after HRD and V Narayanasamy, figured among those who might leave the government to take up AIICC work. Selja Kumari, who holds Urban Poverty Alleviation and Tourism, could be shifted to Urban Development in place of S Jaipal Reddy.

Salman Khursheed, minister of state (MoS - Independent charge) for minority affairs and corporate affairs could be getting promotion as the new Law Minister — in place of Veerappa Molly. Ajay Maken, currently MoS in Home, could move to Sports and Youth Affairs in place of Gill.

Ghulam Nabi Azad, who has Health Ministry, may take charge of Parliamentary Affairs. Another MoS (Independent) Srikanth Jena may become the Cabinet Minister, ending the “injustice” of not giving him the Cabinet position despite enjoying a similar rank in previous governments.

CONTINUED ON PAGE 15

» NATH SENDS MINISTRY, PIO
CONTINUED FROM PAGE 1

TR Baalu, an DMK nominee, is expected to fill the place of A Raja, as his party is seeking the shipping ministry.

The portfolio is held by Congress nominee GK Vasan, who may get another ministry or shift to Tawel Nishad as PCO chief ahead of the state polls.

Another UPA ally, the Trinamool Congress, nominated Sudip Bandhopaduyay to be MoS and was eyeing the steel ministry to fill up the six ministerial berths promised to Mamata Banerjee in 2009.

Also, there was talk of agriculture minister Sharad Pawar might shed consumer affairs, one of the three portfolios he has. If he does, Praful Patel — who is heading the civil aviation ministry at present — may get Cabinet rank.

Among the new faces from the Congress, Keshav Rao figured to give the Telangana face in the Cabinet and handle the crisis over the demand for a separate state.

Similarly, Congress spokesperson Manish Tewari, Ashwani Kumar and Pawan Singh Ghatowar, who are from Punjab and Assam where elections are due, were also said to be in the reckoning.