कश्मीर में हो रहा है नीलम का अवैध खनन

श्रीमान (खुशी)। भरत के स्वर्ग मानी जाती है जो भारत एक दिन तक नीलाम का अवैध खनन पुनिःस्थापित और नौकरों को दिखाया गया था। राजनीतिक नेताओं के मालिक ने कहा जा रहा है। पत्रकार के पढ़ाई और दोहरी के माध्यम से नीलाम की कमान में शामिल है। अब खनन से भी रहने रकम का उपयोग बढ़े पैमाने पर हो सकता है। अब खनन के लिए फिल्में रिलीज़ की जा रही है। पढ़ाई समुदाय से 4327 नीलाम की चेक देने का दावा है। पढ़ाई और दोहरी जिलों में नीलाम का खनन काफी चुनौतीपूर्ण है। अर्जित से भी रहने रकम की जानकारी मिली है। नीलाम का खनन काफी चुनौतीपूर्ण है। एक महिला वालों ने नीलाम की बजाय सुरक्षा में साफ़ दिखाया जा रहा है। पूरा शासन पर नीलाम के साथ में रहना है। खनन कारों में नीलाम विभाग के बारे में जानकारी प्रदान की गई है। अभी तक अवैध खनन के बारे में पता चला है। खनन
A silver lining in India’s slowdown?

Roberto Guimaraes & Laura Papi

The extent of India’s recent growth slowdown has surprised most India-watchers, even in the face of ongoing international financial market volatility, high and volatile oil prices, and the uneven global recovery. Growth in gross domestic product fell throughout 2012, from a high of 7.6 per cent at the beginning of the year to 6.4 per cent in the quarter that ended in December.

The slowdown in the economy has affected the industrial sector particularly sharply, and has extended through 2012 as shown by the 3.5 per cent contraction year-on-year in March industrial production. For 2012-13, we at the International Monetary Fund project that GDP growth is likely to be about 7 per cent (http://www.imf.org/external/pubs/cat/longres.aspx?sk=258670).

Many observers have started to question the inner strength of the Indian growth story. While by international standards 7 per cent growth is still very robust, it sometimes feels like underachievement for a country that was growing at more than 9 per cent just a few years ago.

The slowdown in growth has been primarily due to falling investment. Investment reached 38 per cent of GDP in 2007-08, just before the onset of the global financial crisis, lifting growth to nearly 10 per cent. But investment growth subsequently dropped sharply, crossing into negative territory in the last two quarters of 2011. This downturn is unprecedented. With the exception of the September-December quarter of 2008, one would have to go back to the last quarter of 2001—more than a decade—to find a year in which investment fell. Moreover, since quarterly national accounts have been compiled, no consecutive declines in investment were recorded until 2011.

Regardless of its causes, the slowdown in investment has far reaching implications for growth, particularly if it lasts. First, investment is a component of aggregate demand, so, to reach a given rate of growth, its decline has to be offset elsewhere. Second, and far more important, lower investment translates into lower productive capacity, and lower average growth over time. Practitioners of the dismal science often use the rule of thumb (estimated for a large group of countries) that a one per cent of GDP decline in investment could lower trend growth by about 0.3 per cent.

To give an idea of what that means for India, the decline of share of investment in GDP by 3.7 percentage points since the global financial crisis could lower trend growth by slightly more than one percentage point.

While this may not seem much to some, the long-run implications are daunting: income per capita would be nearly $1,000 lower in 20 years (more than 50 per cent of today’s income per capita) if the economy were to settle at a growth rate of 7 per cent instead of 8 per cent.

India’s long-run challenges have turned into short-run problems. Supply constraints, particularly in power, mining and land, have become increasingly binding. As these constraints have raised costs and inflation, investor sentiment has suffered. But other measures to remove bottlenecks also matter, such as streamlining taxation through the Goods and Services Tax and facilitating business investment via additional financial reforms (especially for the corporate bond market). Facilitating trade and easing labour regulations would also boost productivity and enable India to harness its demographic dividend by creating more jobs, as would education improvements by improving people’s skills.

Fiscal consolidation and reforms are essential complements to many of these reforms, and their implementation would increase resiliency and make growth more inclusive. Reducing inflation in a durable way is the best contribution that the Reserve Bank of India could make to rapid and sustainable growth.

The good news is that policies can make a big difference. Right now, the government can boost investor sentiment by accelerating the pace of project approvals and launching high impact reform initiatives such as rationalizing fuel subsidies or further rationalization of fuel subsidies or further fiscal liberalisation. These steps could signal a turnaround and be catalysts for other reforms.

The government can boost investor sentiment through reforms such as rationalising fuel subsidies or further FDI liberalisation. These can then be catalysts for other reforms.

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Naveen Tells PM to Modify MMDR Bill

Bhubaneswar: After opposing establishment of the NGTC, Odisha CM Naveen Patnaik on Saturday voiced his protest against certain provisions proposed in the MMDR (Mines and Mineral Development and Regulation) Bill, 2011 on the ground that those would infringe into the federal rights of State Governments.
To start Orissa alumina refinery by Jan: Hindalco

Non-ferrous metals producer Hindalco Industries plans to start its 1.5 million tonne per annum (mtpa) alumina refinery in Orissa by January 2013, a senior company executive said today. It also expects to start mining bauxite in the state from October this year, said Suryakant Mishra, chief executive of Utkal Alumina International Ltd, a wholly-owned unit of Hindalco.

“We are planning to commission the refinery by December end or mid-January. Mining will start by October,” he said, adding, the company initially aims to mine 4.3 to 4.4 mtpa of bauxite to supply the refinery, though it has permission to mine 8.5 million tonne.

- REUTERS
Some pitfalls

Policy paralysis has delayed capacity additions in the steel, aluminium and mining space.

Despite stellar margins and an economy with scope for consuming a lot more metals, there are a few dark clouds on the horizon for metal and mining companies. This could disrupt their volumes and pricing power.

Royalty ranks among the highest expenses for miners in India. The Mining and Minerals Development and Regulations Bill proposes that miners other than coal-miners make a payment that matches their royalty outgo. Coal mining companies are required to pay 26 per cent of their pit-head operating profits.

While coal and iron ore miners may have scope to pass-through costs, the same cannot be said for non-ferrous miners who price their wares on a par with international prices. This will take a substantial bite of their margins.

'PASSING THE PARCEL'
The ministries managing the environment, mining, coal, steel and rural development are also playing 'passing the parcel' with Bills intended to enable investments in the mining and metals segment. Policy paralysis has made it impossible to open new mines. It has also delayed capacity additions in the steel, aluminium and mining space.

The ongoing ban in Karnataka with little sign of quick resolution is another sign of trouble. States have also been slow in granting mining leases which could speed up capacity additions.

Employee costs for sector players have almost doubled since 2007.

DISTRIBUTION HURDLES
Distribution has been a bottleneck for the likes of Coal India and NMDC which have often been short on rakes to send out the ore they mine to consumers.

Freight rail rates have also been bumped up regularly, adding to the margin strain.

Rising coal prices have made energy generation far more expensive. If domestic coal output is not ramped up, energy bills are only bound to get higher (aided by a weaker rupee). Domestic coal prices could also increase if Coal India prices its output based on gross calorific value method again.

A.G.
Indian miners measure up to the global best

We assess how investors can unearth value, after recent declines in commodity prices.

COMMUNITIES have borne the brunt of the Chinese slowdown and Europe's debt crisis. Prices of manganese, iron ore, zinc and aluminium have dropped 10-25 per cent over the last one year, impacting companies that process or mine these metals.

But Indian metals and mining companies may weather this phase better, with their low-cost structure. Here's an assessment of their prospects.

IRON ORE
The prices of high-grade iron ore imported by China from Australia are down by 20 per cent over the last one year. This dip is attributed to the slowdown in steel production growth in China and drop in European consumption.

For India, global iron ore prices serve only as a direction. The domestic iron ore miner, NMDC, sells ore at a discount of 35-45 per cent to international ore of similar grade.

Despite this, NMDC's 75 per cent margins exceed those of higher realisation earning peers such as BHP Billiton, Rio Tinto and Vale.

NMDC's other advantages include control over 40 per cent of domestic iron ore output, which is an edge in terms of ability to hold prices steadier than volatile international prices. NMDC still remains among the best placed iron miners globally as its cost of production is low and imports too expensive to threaten prices.

DANGER ZONE
But Indian mining has been a regulatory death-trap for some producers. Take Sesa Goa. Its operating margins of 53-60 per cent were not in the realm of NMDC, but still hardly enough to beat miners of similar size elsewhere.

Then came the mining ban in Karnataka, shutdown of an expensive mine in Orissa and an export duty hike. The company's core operations in Goa have come under the scanner, casting a shadow over the stock. Margins in the fiscal ended March 2012 slid to 41 per cent. As a result, Sesa Goa's profits are under pressure.

ZINC
Vedanta-controlled Hindustan Zinc controls over 90 per cent of the Indian market. Hindustan Zinc enjoys operating margins of 50-55 per cent. This is over double that of peers such as Teck Resources and Xstrata.

Zinc inventories are growing and stand at high levels of 8-10 per cent of global annual production. The International Lead and Zinc Study Group reports that zinc metal supply during the first three months of 2012 has outpaced demand (as it has for five years now). The fear is, this could result in pressure on zinc prices.

In such a scenario, Hindustan Zinc is well-placed to ride out the storm. The company's growing silver and lead output has helped stem profit declines from lower realisations.

At current prices of around $2,000 per tonne of zinc, several global producers barely break even. Prices moving south could spell shutdown time for these producers, sparking support for zinc prices. Hindustan Zinc's profits and volumes will grow in an expanding home market.

MANGANESE
Manganese consumption tracks that of steel. Major sector producers include MOIL and Tata Steel. Unlike in the iron ore space, domestic manganese producers get to sell their ore at international prices. This puts players such as MOIL in a sweet spot. They get to enjoy the realisations of international players while operating on low cost structures.

MOIL's operating margins of 55-70 per cent trouble global peers such as Eramet and BHP Billiton's manganese division whose margins have ranged 25-55 per cent. Neuer mines in Indonesia and South Africa tend to be even less profitable.

Global production of manganese ore in 2011 shot up by 10 per cent, far outpacing the 7 per cent increase in steel production. Manganese prices collapsed over the last year owing to a sharp rise in inventories and a huge spike in supply from South Africa and Indonesia.

MOIL's advantage in this context is a simple one. If manganese prices continue to slide, the first set of producers to drop out are new mines in Indonesia and South Africa, the second set are relatively more expensive and low grade ore projects. Being in the lowest quartile in terms of cost of production and being rich in cash leaves MOIL with wiggle room and a chance to snap up assets for cheap.

ALUMINIUM
India has two major aluminium producers, NALCO and Hindalco. The latter is an integrated producer with captive bauxite and coal mines. This allows it to produce alumina and power at a low cost. Aluminium producers globally have suffered from a glut of aluminium smelting capacity. In addition, competing for coal has become increasingly expensive, hurting margins.

Power is a key input for production of aluminium metal, accounting for over 30 per cent of the cost of making aluminium. Producing alumina, which accounts for over 15 per cent of the cost, has been no walk in the park either.

NALCO's ageing equipment and reliance on imported coal has cost the company dearly over the last few months. Slipping aluminium prices have strained the company's profits. As for Hindalco, the company has been profitable so far.

But its exposure to Europe and US through Novelis remains a worry. The slow pace of expansion domestically has also been an overhang on the stock.
Alumina refinery in Orissa to start soon

Non-ferrous metals producer Hindalco Industries plans to start its 1.5 million tonnes per annum alumina refinery in Orissa by January 2013, a senior company executive said on Saturday. It also expects to start mining bauxite in the state from October this year.
Patnaik writes to Singh against proposed NMRA

ORISSA CHIEF minister, Naveen Patnaik, has strongly opposed the provision of having a National Mining Regulatory Authority (NMRA) in the Mines and Minerals (Development and Regulation) Bill 2011 stating that it is against the federal structure of the country.

In a letter to the Prime Minister Dr Manmohan Singh, written on Saturday, Patnaik has pointed out that "some of the provisions of Mines and Minerals (Development and Regulation) Bill, 2011 which when enacted will amount to a departure from the federal structure of Indian Constitution."

It is proposed that under section 58(1) of the Bill, the Central government shall establish a National Authority to be known as National Mining Regulatory Authority (NMRA) in relation to major minerals (other than coal).

The NMRA and its officers have powers to call for records, material, evidence, or person accused of contravening any of the provisions or committing any of the offences under the Act. All proceedings before the Authority in discharge of its functions shall be deemed to be judicial proceedings and NMRA shall be deemed to be a civil court.

Section 69 of the Bill authorises the NMRA to entertain complaints regarding commission of offences under the Act, get them investigated through its own investigating officers, and institute prosecutions through the country. Section 121 of the Bill makes non-compliance of directions of National Authority by any person, which may include state authorities/officers, an offence. Where the establishment of National Regulatory Authority to perform advisory and recommending functions is welcome, creating a superior body with investigative and judicial functions to entertain complaints, gives directions to the state governments, initiate investigations and lodge prosecutions encroaches upon the domain of the state government and is not in keeping with the federal structure envisaged in the Constitution", the CM has pointed out and suggested that "all these issues need to be re-looked and the relevant sections in the proposed Bill should be accordingly modified or altogether omitted."

Similarly, the CM has objected to incorporation of some of the provisions in the MMDR Bill 2011 which are not in the original MMDR Act 1957. Patnaik has said that the provision of empowering MB or any authority of Central government to supervise the enforcement of the provisions of the proposed Act and rules and prevent illegal or unscientific mining going on in any state is against the spirit of the federalism. This would amount to supervision of the function of the state government by the Indian Bureau of Mines or the authority which is not consistent with the federal tenets of the Constitution, he asserted.