Aluminium imports under fire

Industry seeks safeguard duties to counter ‘onslaught’ from China

K V Ramana • HYDERABAD

The domestic aluminium consumption is poised to take off in a big way over the next few years. But the industry is having sleepless nights over cheaper Chinese imports, which are hurting its chances to tap the growing demand.

There is clearly an attempt on its part to protect its turf, and the wish-list includes imposition of “safeguard duties” on the imports and prohibiting exports of bauxite ore, Industry representatives said the domestic aluminium sector is going that extra mile by gearing up to add capacities to meet future demand.

“We have requested the government to see to it that the landed cost of the Chinese aluminium products is not less than the products made in the domestic market,” K S S Murthy, general secretary of the Aluminium Association of India (AAI), said.

China currently dominates the space with a sizeable 19.8 million tonne per annum out of the total global production of about 40 million tonne. However, when it comes to bauxite, the ore from which aluminium is processed, India is on the top five list with deposits of about 1,400 million tonne.

“Major economies across the globe are suffering because of cheaper Chinese imports and many of these nations have realised the need to impose safeguard duties to protect their respective industries,” Murthy said.

Going forward, the industry is working on plans to pump in close to ₹1.2 lakh crore to take the total domestic capacity to about 5 mtpa by 2017 from about 1.8 mtpa currently and 10 million tonnes by 2020.

According to the industry body, most of the aluminium demand is expected to come from sectors like passenger cars, packaging, two-wheelers, roads, ports, railway, airports, telecom and power generation.

“The government has to make regulations like in Japan and Germany that insist on fuel mileage of automobiles and stringent emission norms that make automobile manufacturers step up aluminium consumption,” Murthy said.
Uranium sale: Oz seeks to mine ties with India

Jayanth Jacob
jayanth.jacob@hindustantimes.com

BALI (INDONESIA): It was an unplanned pull-aside meet, lasting just eight minutes. But, Australian Prime Minister Julia Gillard’s efforts to overturn ban on selling uranium to India seem to have brought in a new high in bilateral ties.

Gillard on Saturday reiterated her determination to move forward on uranium sale as she held meeting with Prime Minister Manmohan Singh on the sidelines of ASEAN and East Asia summit.

"I am taking the change of policy to my party conference in December," the Australian PM told media after the meeting.

Giving indications of overturning Australia’s long-held position, Gillard on November 15 had said, "The (ruling) Labor Party’s current platform prevents us from selling uranium to India, because it (New Delhi) is not part of the Nuclear Non-Proliferation Treaty. I believe the time has come for the Labor Party to change this position."

She cited three reasons for her decision. Firstly, exporting uranium to India would be good for the Australian economy and help create jobs. Uranium currently contributes over 760 million Australian dollars to the Australian economy.

Secondly, she said, "Australia faces a unique set of opportunities in this - the Asian century, where we live in the right region of the world which will see strong economic growth and India as a rising giant will be part of that strong economic growth, so put simply, our best possible partnership with India is also good for Australian jobs."

Gillard also added dropping Australia’s ban on uranium exports now “makes sense” when there was a “widely supported international strategy to bring India into the Nuclear Non-Proliferation Treaty... but the US-India Civil Nuclear Agreement changed that strategy, it effectively lifted the de facto international ban on cooperation with India in this area.”

New Delhi has every reason to cheer as Gillard takes note of three factors in changing the mind. "They are India’s growing energy needs, impeccable non proliferation and its strategic partnership", MEA spokesperson Vishnu Prakash noted.
Goa orders re-verification of ‘missing’ iron ore traders

Shah Commission recommended action against 110 traders for violating norms

Special Correspondent

PANAJI: The Goa administration has ordered a re-verification of the “missing and unscrupulous” iron ore traders by the police before actually filing police complaints against them for various violations, as suggested earlier by the Shah Commission of Inquiry.

Environmental activists eagerly awaiting the inquiry report here, however, alleged that these were “delaying tactics adopted by officials to save their own skin or that of their predecessors” who were instrumental in large-scale violations in registration of ore traders.

Over a fortnight ago, a senior official of the Shah Commission repeatedly asked the Goa Mines and Geology Department to file police complaints against nearly 110 of the 400-plus such traders who could not be traced at their addresses, according to a report submitted by State Home Department.

The report, which was submitted to the inquiry commission directly by the Department of Mines and Geology last month, was viewed seriously by the Shah Commission.

Sources in the State government told The Hindu that following the recommendations of the Shah Commission, the Mines Department was asked to order a re-verification after it was brought to the notice of the administration that some genuine companies had shifted their offices after their leases expired.

The sources admitted that there could be some genuine cases which needed another opportunity but the government was not opting for it since it would allow some influential fly-by-night operators an escape route and also avert or delay police action against many officials in the department, past and present, for their dubious role in faulty registration of traders based on poor data and inadequate information.

The police in their report had stated that the offices of the traders and companies were found closed or not traceable as they had shifted to new locations. In some cases, sketchy addresses were given, inviting response from police that the trader “did not exist.”

Sources in the Mines Department admitted that there could be a substantial number of fly-by-night operators but emphasised that before taking any action it was necessary to double check the addresses of the companies.

“We will definitely file complaints against the companies for violating the norms and involvement in illegal export of ore once re-verification exercise was done,” said an official of the Department.

The issue assumes seriousness as it has been indicated during the verification of records of the Mines and Geology Department that in some cases permission was granted in the past to mining trading companies overnight without following procedures.

As it is now becoming clear that the Shah Commission is likely to submit its interim report as regards illegal activities by mining companies in Goa by the second week of December, there has been frenetic activity in the State Department of Mines as regards submitting various documents called for by the commission.

The commission has sought copies of the original approved plans from the State to compare them with the readings taken during its visits to mining sites. Many mines have been found to be going beyond the original approved plans leading to blatant violations.
Coal Min keen on Neyveli Lignite disinvestment, PSU unhappy

ANIMESH SINGH  NEW DELHI

Despite Neyveli Lignite Corporation's (NLC) opposition to the Government's proposal to disinvest 10 per cent stake in the listed public sector undertaking (PSU), the Coal Ministry is keen to go ahead with the process, citing clearance from the Finance Ministry.

The Navratna PSU, has conveyed its reservations through a note to the Coal Ministry over the latter's decision to go in for disinvestment. Citing prevalent adverse market conditions, the PSU has requested the ministry in the note that it should not go ahead with the disinvestment as it may not fetch the expected returns.

This year, listed PSU's like Steel Authority of India Ltd (SAIL) and Hindustan Copper Ltd (HCL) had also informed the Government that they don't want to go in for follow on public offers (FPOs) - mainly raising fresh equity - as they had surplus cash in hand. They too had cited adverse market conditions as reason behind their lack of interest in the move.

A senior Coal Ministry official however told The Pioneer that it (the ministry) is keen to disinvest its 10 per cent stake as it has received the sanction from the Finance Ministry.

"NLC was awarded the Navratna status in April this year, therefore as per norms, a Navratna PSU has to go for disinvestment within three years of getting the coveted status. We have time in hand to go for it. The process (disinvestment) has to happen," the official said.

Sources however informed that the FPO may happen early next fiscal, as chances for it coming this fiscal seem unlikely. NLC was listed on the stock exchanges in August, 2000.

The Finance Ministry had earlier proposed a 10 per cent disinvestment in the company through a FPO. The proposal was sent to the NLC by the Coal Ministry for seeking the board approval of the proposal.

The PSU in its note has also given reason like its falling share price and surplus cash in hand as reasons behind its lack of interest in the FPO.

Currently, the ministry has 93.56 per cent stake in NLC and the remaining share is with institutions and employees.
Goa orders re-verification of ‘missing’ iron ore traders

Shah Commission recommended action against 110 traders for violating norms

Special Correspondent

PANAJI: The Goa administration has ordered a re-verification of the “missing and unscrupulous” iron ore traders by the police before actually filing police complaints against them for various violations, as suggested earlier by the Shah Commission of Inquiry.

Environmental activists eagerly awaiting the inquiry report here, however, alleged that these were “delaying tactics adopted by officials to save their own skin or that of their predecessors” who were instrumental in large-scale violations in registration of ore traders.

Over a fortnight ago, a senior official of the Shah Commission repeatedly asked the Goa Mines and Geology Department to file police complaints against nearly 110 of the 400-plus such traders who could not be traced at their addresses, according to a report submitted by State Home Department.

The report, which was submitted to the inquiry commission directly by the Department of Mines and Geology last month, was viewed seriously by the Shah Commission.

Sources in the State government told The Hindu that following the recommendations of the Shah Commission, the Mines Department was asked to order a re-verification after it was brought to the notice of the administration that some genuine companies had shifted their offices after their leases expired.

The sources admitted that there could be some genuine cases which needed another opportunity but the government was not opting for it since it would allow some influential fly-by-night operators an escape route and also avert or delay police action against many officials in the department, past and present, for their dubious role in faulty registration of traders based on poor data and inadequate information.

The police in their report had stated that the offices of the traders and companies were found closed or not traceable as they had shifted to new locations. In some cases, sketchy addresses were given, invoking response from police that the trader “did not exist.”

Sources in the Mines Department admitted that there could be a substantial number of fly-by-night operators but emphasised that before taking any action it was necessary to double check the addresses of the companies.

“We will definitely file complaints against the companies for violating the norms and involvement in illegal export of ore once re-verification exercise was done,” said an official of the Department.

The issue assumes seriousness as it has been indicated during the verification of records of the Mines and Geology Department that in some cases permission was granted in the past to mining trading companies overnight without following procedures.

As it is now becoming clear that the Shah Commission is likely to submit its interim report as regards illegal activities by mining companies in Goa by the second week of December, there has been a frenetic activity in the State Department of Mines as regards submitting various documents called for by the commission.

The commission has sought copies of the original approved plans from the State to compare them with the readings taken during its visits to mining sites. Many mines have been found to be going beyond the original approved plans leading to blatant violations.
Examine ‘illegalities’ by JSW, Adani in mining: SC to panel

New Delhi

The Supreme Court on Friday asked its expert committee to examine the alleged illegalities committed by other major companies involved in mining activities in Bellary district of Karnataka and neighbouring Andhra Pradesh which have been indicted in the Lokayukta report. An NGO, Samaj Parivaran Samudaya, has sought the extension of the CBI probe to cover the two other major companies of M/s Adani Enterprises and M/s Jindal Steel (JSW) that have been strongly indicted in the Lokayukta report for illegal mining of iron and ore. However, a special forest bench headed by Chief Justice S H Kapadia said it cannot straight away accept the plea of extending the CBI probe on the basis of the Lokayukta report and would ask the apex-court-appointed Central Empowered Committee (CEC) and Attorney General G E Vahanvati to look into the issue.

"We will ask the CSE and the Attorney General to look into it," the bench, also comprising justices Aftab Alam and Swatanter Kumar, said.

"We are equally concerned about the issue but it has to be done within a proper legal framework. We want to go in a particular and systematic manner," the bench said while posting the matter for January 20.

The apex court had on September 23 directed a CBI probe against two companies - Associated Mining Co (AMC) and Deccan Mining Syndicate - for alleged illegal mining of iron and ore.

Advocate Prashant Bhusan, appearing for the NGO, said the Lokayukta report had made detailed and specific charges of serious illegalities against Adani Enterprises and JSW. "The illegalities of these two companies are not only linked with the persons and matters that are the subject matter of current CBI investigations but also involve top public servants and public representatives," he said.

The NGO referred to the Lokayukta report to allege that powerful corporate entities such as Adani Enterprises are involved in the "theft" of 5.5 lakhs tons of iron ore from Bellikeri port.
Official critical of iron ore trade with China

PANA: A senior official of the Union Ministry of Steel was critical of the policy that allows iron ore exports to China, saying shipping out country's natural resources was not far from the colonial pattern of trade.

"India exports iron ore to China and imports manufactured goods from that country. Not only India, even the markets of the US are flooded with Chinese goods. We must remember natural resources are finite. If we are surrendering our natural resources for manufactured goods from another country, it is a colonial pattern of trade," Susmita Dasgupta, deputy chief economist with the Union Ministry of Steel, told an international conference of iron ore producers here that had a number of Chinese buyers.

She felt India lacked a long-term plan or vision with respect to its natural resources. "We must not be oblivious of the fact that natural resources are only finite and not going to last forever. More than tracking down the problem of illegal mining, it is also important to see where miners are putting their profits," she said.

"In the US, mining laws are very strong. Consumers can take miners to court if their interests are jeopardised," she said.

"Rules are equally stringent in Australia, where the government has taken an official stand that mining cannot be a sustainable activity, Dasgupta said.

Director of Indonesia-based S M Powergen Enterprises Madhu Sethi said mines in Indonesia are private players driven, but getting mining licences is a tough proposition in view of stern environmental laws.

DH News Service