

M & M Monthly

Newsletter from Ministry of Mines

August, 2016

Vol. 1 No. 08

Market Scenario:

Ministry of Statistics and Programme Implementation (MOSPI) has released the estimates of Gross Domestic Product (GDP) for the first quarter (April- June) of 2016-17. The GDP at constant (2011-12) prices in Q1 of 2016-17 has recorded a growth rate of 7.1 percent which is 0.4 percentage point lower than the GDP growth at constant prices for the same period previous year. The growth in mining and quarrying is estimated to be (-) 0.4 percent during the same period. The key indicators of mining sector, namely, production of coal, crude oil and natural gas and IIP mining have registered growth rates of 5.4 percent, (-) 3.3 percent, (-) 6.1 percent and 2.3 percent during Q1 of 2016-17. Also, the wholesale price index (WPI) with respect to minerals has declined by 19.2 percent during Q1 of 2016-17 over Q1 of 2015-16.

Performance of Mining Sector in July, 2016:

A. Status of Mineral Production in India:

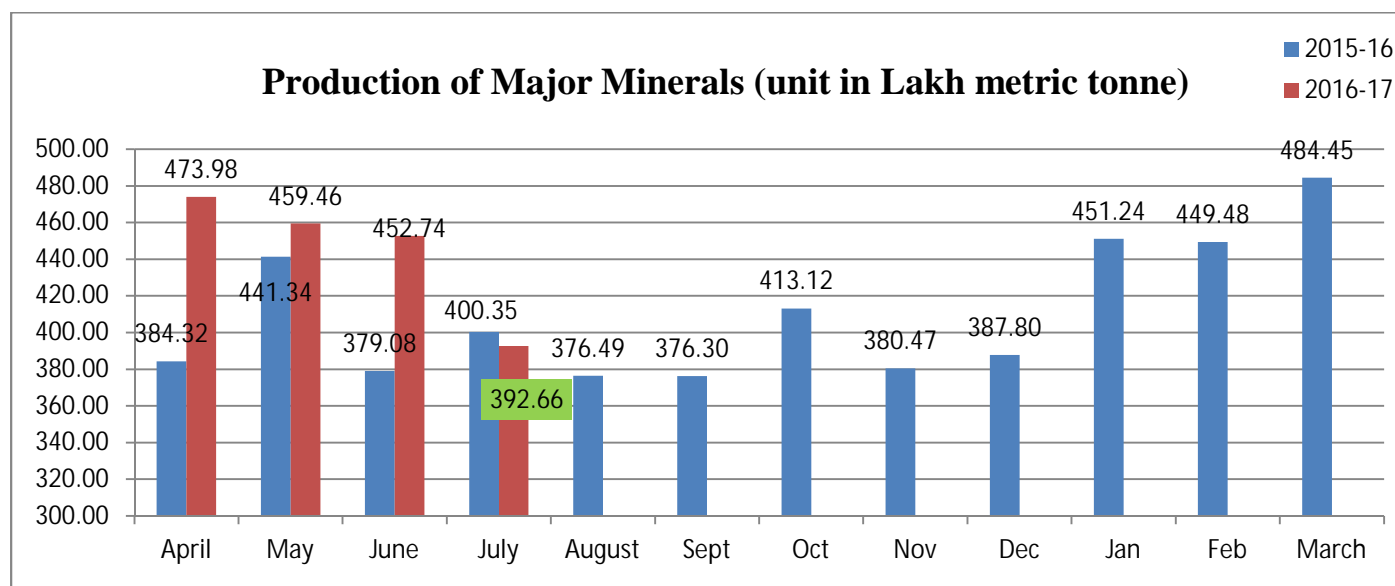
- The index of Industrial Production for the mining sector (both fuel and non- fuel) in the month of July, 2016 stood at 118.7 with a corresponding growth rate of 0.9 percent as compared to July, 2015. However, the cumulative growth in the sector during April- July 2016-17 has been 2.0 percent over the corresponding period of previous year. Index of Mineral Production for minerals under MCDR for July, 2016 stands at 111.2.
- India registered a production growth of 10.56 percent for all major minerals. The real contributor to this growth has been chromite (26.18%), Iron ore (32.46%) and manganese ore (0.17%) in the metallic segment and Limestone (5.02%) in the non-metallic segment. However, due to continued pressure on mineral prices, the value of production has registered a negative growth of 7.21%.
- On month on month comparison, the production of important minerals showing positive growth during July 2016 over July 2015 include Coal, Natural Gas (utilized), Chromite, Gold, Iron ore, Lead conc., manganese ore, Kyanite, Limeshell, Limestone, Selenite, Sillimanite, etc. However, Lignite, Petroleum (Crude), Bauxite, Copper conc., Tin Conc., Zinc Conc., Diamond, Garnet (Abrasive), Graphite, Magnesite, Phosphorite, Vermiculite, Wollastonite, etc have shown negative growth during the current month over the same period of previous year.
- The provisional value of production of MCDR minerals in July, 2016 was Rs 2809 crore. The estimated value of mineral production for the month of August, 2016 is Rs

2503 crore which is 16.5 % lower when compared to August, 2015 and 10.9 % lower when compared to previous month.

- Volume and value of production figures as achieved during the month of July, 2016 is provided in the table below:

Minerals	Unit	Production				Growth in qty	Growth in value
		Apr- July, 2016		Apr- July, 2015			
		Qty.	Value	Qty.	Value		
All Minerals	Million MT	178.3108	12579.9335	161.2847	13558.0816	10.56%	-7.21%
Bauxite	Million MT	8.9852	484.765	11.2454	554.1354	-20.10%	-12.52%
Chromite	Million MT	0.9866	478.5876	0.7819	706.8972	26.18%	-32.30%
Copper Conc.	000' MT	38.671	168.926	43.82	201.0047	-11.75%	-15.96%
Iron Ore	Million MT	59.728	7083.9817	45.09	7529.6864	32.46%	-5.92%
Lead Conc.	000' MT	72.3	273.4468	82.428	255.9956	-12.29%	6.82%
Manganese Ore	Million MT	0.697885	338.7275	0.696735	308.8841	0.17%	9.66%
Zinc Conc.	Million MT	0.2805	1136.1141	0.5096	1149.4136	-44.96%	-1.16%
Other met. Minerals	Million MT	**	136.7537	**	554.2967		-75.33%
Total Metallic Minerals	Million MT	70.789	10101.3024	58.4498	11260.3137	21.11%	-10.29%
Garnet (Abrasive)	000' MT	22.833	17.2171	25.838	24.9575	-11.63%	-31.01%
Limestone	Million MT	107.248	2265.8354	102.124	2003.2749	5.02%	13.11%
Phosphorite	000' MT	230.604	116.7841	659.527	188.2431	-65.03%	-37.96%
Sillimanite	000' MT	20.21	15.3489	25.449	18.8218	-20.59%	-18.45%
Other non Metallic	Million MT	**	63.4456	**	62.4706		1.56%
Total Non-Metallic minerals	Million MT	107.52165	2478.6311	102.8348	2297.7679	4.56%	7.87%

the table excludes precious stones ** Not additive.



B. State- wise production and dispatch of minerals in the year 2015-16:

Production of mineral in the year 2015-16				
Minerals	States	Unit	Mine head production	Mine head dispatch
Iron ore	AP	tonne	493508	410961.9
	Chhattisgarh	tonne	24591946.85	24382825.14
	Goa	tonne	1778766	1712178
	Jharkhand	tonne	19075636	18823020.4
	Karnataka	tonne	25020499.93	26428377.86
	Madhya Pradesh	tonne	2463554	2123484
	Maharashtra	tonne	1422510.71	1387694.17
	Odisha	tonne	79909185.21	69857551.67
	Rajasthan	tonne	1140538.055	1139326.96
	Tamil Nadu	tonne	0	5000
	total	million tonnes	155.8961448	146.2704201
Bauxite	Chhattisgarh	tonne	2062154	1995182
	Goa	tonne	310764	209926
	Gujarat	tonne	10253581	8209356
	Jharkhand	tonne	2111226	2052107
	Kerala	tonne	0	0
	Karnataka	tonne	12050	20573
	Madhya Pradesh	tonne	607429	620418
	Maharashtra	tonne	1907543	1953632
	Odisha	tonne	10839038	10839038
	Tamil Nadu	tonne	27145	27145
	total	million tonnes	28.13093	25.927377
copper ore and concentrates	Jharkhand	tonne	275827	268255
	Madhya Pradesh	tonne	2604528	61199.988
	Rajasthan	tonne	1167976	585727
	Total	million tonnes	4.048331	0.915181988
lead & Zinc and Lead conc.	Rajasthan	million tonnes	10.714894	0.264784
Manganese ore	AP	tonne	186077	170844
	Gujarat	tonne	38222.94	38222.94
	Goa	tonne	0	0
	Jharkhand	tonne	508	242
	Karnataka	tonne	145624.14	127837.06

	Madhya Pradesh	tonne	763302	603314
	Maharashtra	tonne	614481	610065
	Odisha	tonne	388636.943	379700.03
	Rajasthan	tonne	3457	4105
	Tamil Nadu	tonne	6892	4000
	total	million tonnes	2.147201023	1.93833003
Chromite				
	Odisha	tonne	2892099.05	2579552.57
	Maharashtra	tonne	27	82
	Karnataka	tonne	1227	255
	total	million tonnes	2.89335305	2.57988957
Limestone				
	Andhra Pradesh	tonne	33084372	33128613
	Assam	tonne	776894	775326
	Bihar	tonne	459042	459042
	Chhattisgarh	tonne	27553366	27581881
	Gujarat	tonne	25168529.47	25643424.47
	HP	tonne	12309360.65	12256216.76
	J&K	tonne	522239	530148
	Jharkhand	tonne	1598618	1607521
	Kerala	tonne	486671	453609
	Karnataka	tonne	27056014	27073065.6
	Meghalaya	tonne	3846875	3892999
	MP	tonne	37858481	37571100.07
	Maharashtra	tonne	13033876	13007457
	Odisha	tonne	4500984	4482539
	Rajasthan	tonne	66705860	66397802
	Tamil Nadu	tonne	22710069.26	22945994.3
	Telangana	tonne	24054006	23814278
	Uttar Pradesh	tonne	2595884	2595884
	Total	million tonnes	304.3211414	304.2169002

Source: IBM

C. Auction Status of Mineral Blocks:

As on 31st August 2016, 29 blocks have been currently put up for auction in 5 states namely Andhra Pradesh, Karnataka, Jharkhand, MP and Rajasthan. The details of which are given below:

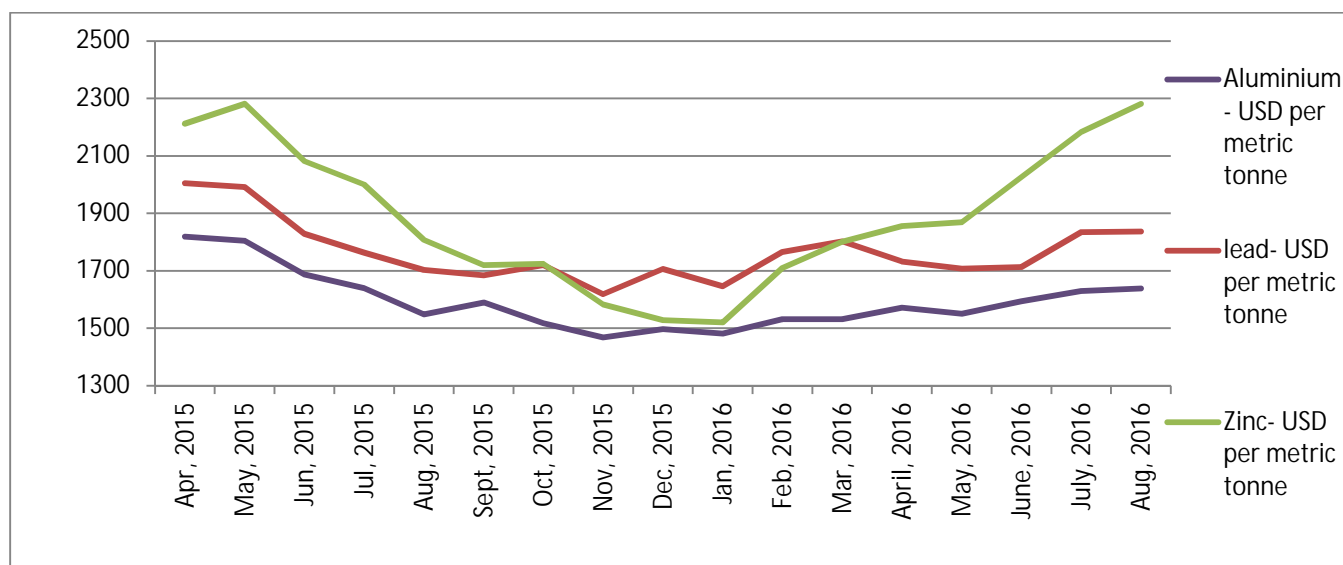
States	Minerals	Number of blocks
Andhra Pradesh	Limestone	5
Jharkhand	Gold	1
MP	Diamond, Limestone	4
Karnataka	Iron ore	14
Rajasthan	Copper and Associated minerals, limestone	5

D. Export and import of major minerals

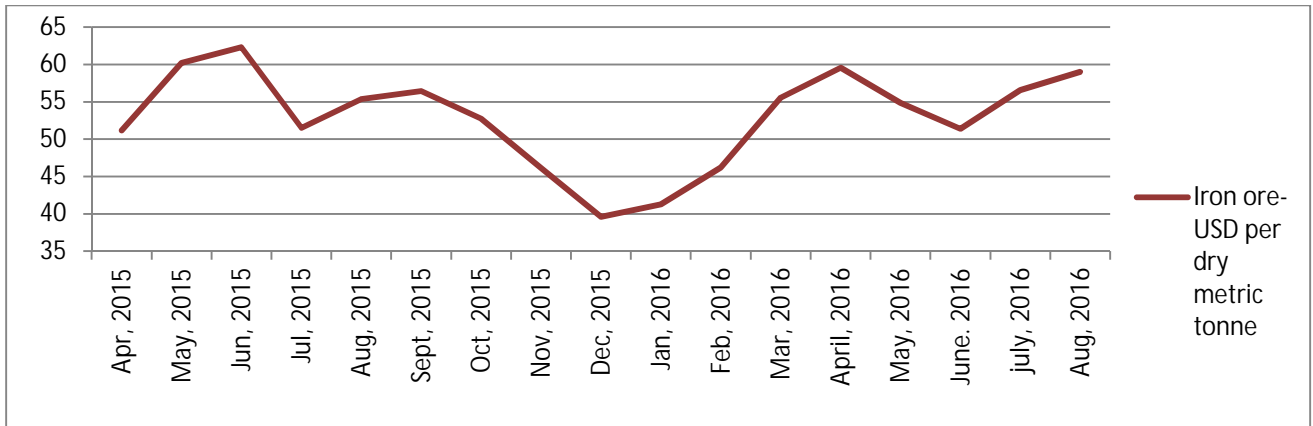
Mineral	HS Code	unit	Quantity			
			Exports		Imports	
			2015-16	2016-17 (apr- Jun)	2015-16	2016-17 (apr- Jun)
Iron ore	2601	million tonnes	5.323	5.289	7.09	1.022
Aluminium ores and concentrates	260600	million tonnes	9.758	0.201	1.23	0.2536
Copper ores and concentrates	260300	Tonnes	12,601.11	12,507.72	20,79,179.044	3,33,457.538
Zinc ores and concentrates	260800	tonnes	615.1007	0.0441	424.389	1,869.52
Chrome ores and concentrates	261000	million tonnes	2.284	0.1753	0.207	0.0399
Manganese Ore	260200	tonnes	487.916	105.82	24,43,674.52	5,71,937.86

Source: DGFT

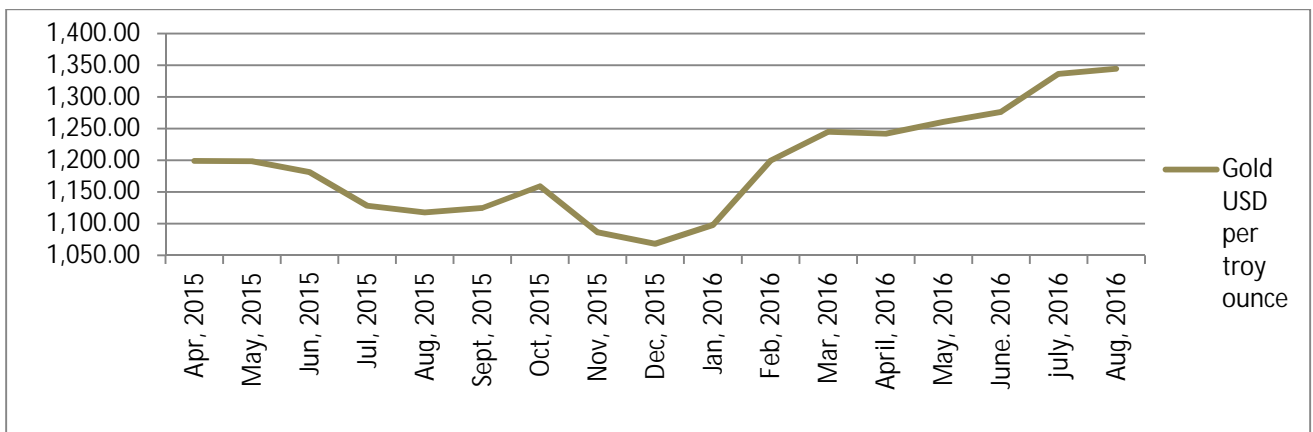
E. Trend in international prices



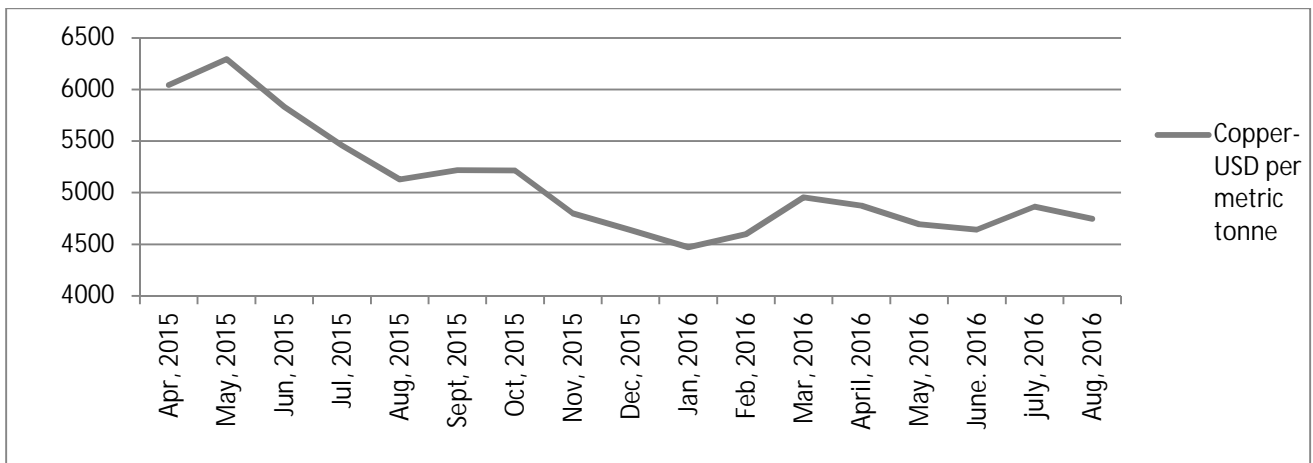
- The prices in the month of August, 2016, the prices have improved with regards to Aluminium, Lead and Zinc. The price of Aluminium grew by 0.60% when compared to price last month. Similarly, lead and zinc also registered a growth of 0.11% and 4.48% respectively in August, 2016 when compared to prices last month.



➤ Iron ore registered a growth in value of 4.30% in the month of August, 2016 when compared to July, 2016.



➤ Gold registered a growth in value of 0.59 % in the month of August, 2016 when compared to July, 2016.



➤ Copper registered a decline in value of 2.46% in the month of August, 2016 when compared to July, 2016.

Key Decisions & Achievements:

- Central Coordination –Cum- Empowered Committee (CCEC) meeting was held on 5th August, 2016 under the chairmanship of Union Secretary (Mines) , in which discussion to following agendas took place:
 - The draft of Mineral Conservation and Development Rules, 2016 and draft of Offshore Area mineral Concession Rules, 2016 prepared by Ministry of Mines, was discussed in details.
 - The block- wise status and preparedness for mineral auction by the state government in 2016-17, 2017-18 and beyond was discussed in the meeting.
 - The progress in setting up of District Mineral Foundation (DMF) by the states, opening up of DMF bank accounts, the status of collection of the money accrued in the DMF funds by the State Government and its utilization was also discussed.
 - The status of collection and transfer of the money accrued in the NMET funds under section 9 C of the amended MMDR Act by the State Government.
 - The mining lease applications saved under Section 10 A (2) (c) separately reconciled with the state governments to compile the list of such cases, which are pending for the want of environment/ forest clearances under the purview of Ministry of Environment, Forest and Climate Change.
 - Mechanism/ procedure to be followed to carry out reverse auctioning/ allotment of exploration blocks under the New Mineral Exploration Policy was also reviewed.
- Ministry of Mines launched a web portal for easy access to information regarding mining sector in India, including a framework for rating mines. The ministry through Indian Bureau of Mines has developed a template for star rating of mines.
- Minister of State for Mines, Power, Coal and renewable energy (I/C) held a meeting with the industry/ mining associations on 18.07.2016 to ensure the mining sector to run in transparent and non- discretionary manner. Various issues were discussed in the meeting with regards to duty structure of iron- ore, manganese ore, rail freight policy of iron ore, agenda of high incidence of taxation, royalty issue in the state of Odisha, saved cases pending under 10 A (2)(c) , etc.
- The 5th meeting of India- Russia sub- group on mining was held on 16th August, 2016 in which a protocol for co-operation in mining sector was signed between the two countries.

- A delegation from Ministry participated in the 35th International Geological Congress (IGC) held at Cape Town, South Africa during 28th August- September, 2016. About 70 geoscientists from Geological Survey of India presented their scientific papers in the international event. The ministry of Mines received the Presidential Cup for organizing 36th IGC in India in 2020.
- Target vs. achievement during the f.s.2016-2017 of Geological Survey of India as on 31st August, 2016.

Scheme/Mission	Name of the Scheme/ Project/Programme	Target * (Apr' 16 to Mar' 17)	Target for Aug' 2016	Achievement (Aug'2016)	Achievement from 1 st April' 16 to 31 st Aug' 16
MISSION-I					
a) Ground Survey	i) Spl. Thematic Mapping (sq.km.)	9230	Nil	243	294
	ii) Geochemical Mapping (sq.km.)	1,37,000	Nil	1093	2372
	iii) Geophysical Mapping (sq.km.)	95,200	Nil	35	3190
b) Aerial Survey	iv) Multisensor/Aeromagnetic Survey (with Twin Otter (lkm)	60,000	-	Nil	2283
	v) Heliborne Survey (lkm)	25,000	-	Nil	616
c) Marine Survey	Parametric Survey within EEZ and beyond				
	1. Bathymetric Survey (lkm)-	10,000	-	Nil	1831
	2. Magnetic (lkm) -	10,000	-	Nil	1445
	3. Swath Bathymetry (sq.km.)	42,000	-	7210	7310
	4. Seismic Survey (lkm)	5,000	-	Nil	1038
	5. Gravity (l. km)	16,000	-	1645	2683
	6. Sub bottom profiling (l. km)	15,000	-	1645	2449
	vi). Systematic coverage within TW + EEZ (sq. km)	4650	-	Nil	Nil
MISSION-II					
NATURAL RESOURCES	a) Large Scale Mapping (LSM) (sq. km.) including 214 sq. km of LSM for coal(M-IIB)	5,500	Nil	105.05	413.30
	b) Detailed mapping (DM) (sq. km.)	103	Nil	4.77	11.58
	c) Drilling (meter)	1,13,000	9040	8255.95	45690.25

	d)Preliminary mineral investigation within EEZ(sq.km)	25,000	-	Nil	2649
MISSION-III					
GEOINFORMATICS	(Map, Publication, Information Technology, Core Library etc.) (in nos.)	35	-	All items initiated	
MISSION-IV					
FUNDAMENTAL AND MULTIDISCIPLINARY GEOSCIENCES	[Geotechnical, Earthquake Geology & Seismology, Geo-environment, Glaciology, Geothermal, Polar studies etc.] (in nos.)	61	-	13	57 items initiated
RESEARCH & DEVELOPMENT	Research (No. of Investigation including Deep Geol) (in nos)	49	-	12	34 items initiated
MISSION-V					
TRAINING AND CAPACITY BUILDING	Training (in GSITI) No. of Types (No. of courses)	85	-	11 completed & 6 in Progress	45 completed & 6 in Progress

Mining Sector in News:

- To boost industrial and mining activities in the state, the government of Odisha has decided to set up Odisha Mineral Exploration Corporation Limited (OMECL) to undertake scientific mineral exploration to prove the mineralized/ ore bearing virgin area of the state to at least G2 level of UNFC for facilitating auction of mineral blocks. The agency will also take up other exploration activities like remote sensing study, geological mapping, geophysical investigation, core logging, preservation and recording of basic data, sampling and analysis, data interpretation and co- relation, 3D- modeling, preparation of plans and sections, reserves/ resource estimation and others. OMECL will be set up as a wholly- owned subsidiary of Odisha Mineral Corporation (OMC).
- State- run PSU Hindustan Copper Limited inaugurated a plant at Ghatsila in Jharkhand which would be the first facility centre in India to produce London Metal Exchange grade Nickel from primary resource.
- Hindustan Copper Limited also reported a net loss of Rs 2.88 crore for the first quarter, 2016-17. The total income of the company fell to Rs 206.23 crore in April- June quarter this fiscal year from Rs 236.38 crore during same quarter last year.

Annexure

Minerals	Aluminium	Lead	Zinc	Copper	Gold	Iron ore
Unit	USD per metric tonne	USD per metric tonne	USD per metric tonne	USD per metric tonne	USD per troy ounce	USD per dry metric tonne
Mar, 2015	1773.86	1792.47	2028.73	5939.67	1178.63	56.94
Apr, 2015	1819.19	2005.36	2212.73	6042.09	1198.93	51.15
May, 2015	1804.04	1991.78	2281.8	6294.78	1198.63	60.23
Jun, 2015	1687.73	1829.5	2082.09	5833.01	1181.5	62.29
Jul, 2015	1639.5	1763.04	2000.68	5456.75	1128.31	51.5
Aug, 2015	1548.13	1703.6	1807.64	5127.3	1117.93	55.38
Sept, 2015	1589.6	1684.25	1720.23	5217.25	1124.77	56.43
Oct, 2015	1516.49	1720.11	1724.34	5216.09	1159.25	52.74
Nov, 2015	1467.89	1618.35	1583.31	4799.9	1086.44	46.16
Dec, 2015	1497.2	1706.58	1527.79	4638.83	1068.25	39.6
Jan, 2016	1481	1646.2	1520.36	4471.79	1097.91	41.25
Feb, 2016	1531.26	1765.75	1709.85	4598.62	1199.5	46.18
Mar, 2016	1531.01	1802.19	1801.69	4953.8	1245.14	55.52
April, 2016	1571.23	1732.27	1855.37	4872.74	1242.26	59.58
May, 2016	1550.63	1707.8	1869.03	4694.54	1260.95	54.85
June, 2016	1593.51	1712.77	2026.19	4641.97	1276.4	51.36
July, 2016	1629.05	1834.79	2183.25	4864.9	1336.65	56.57
Aug, 2016	1638.8	1836.8	2281.0	4745.3	1344.5	59