

M & M Monthly

Newsletter from Ministry of Mines

April, 2016

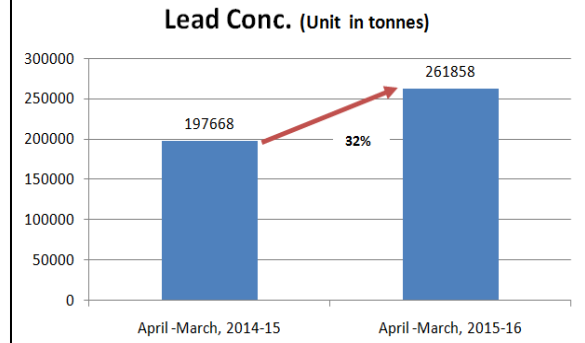
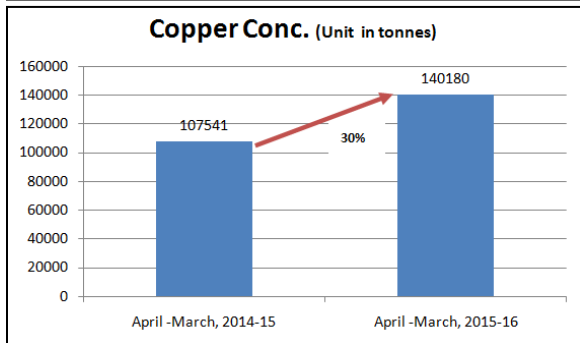
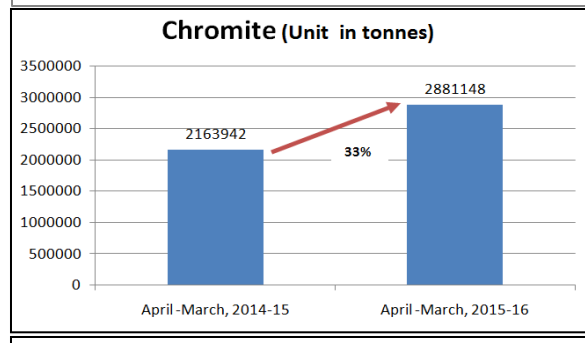
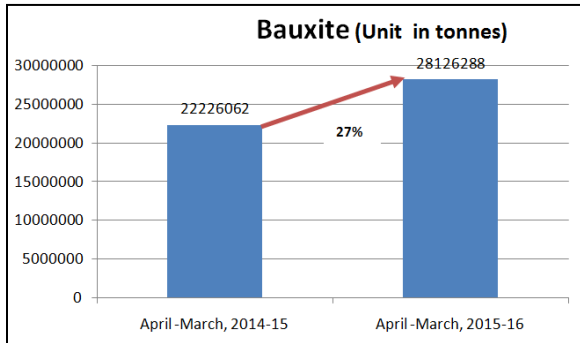
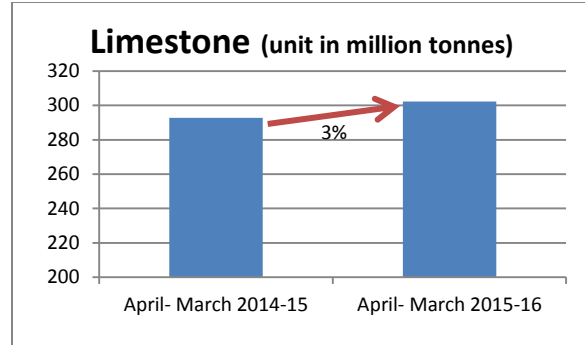
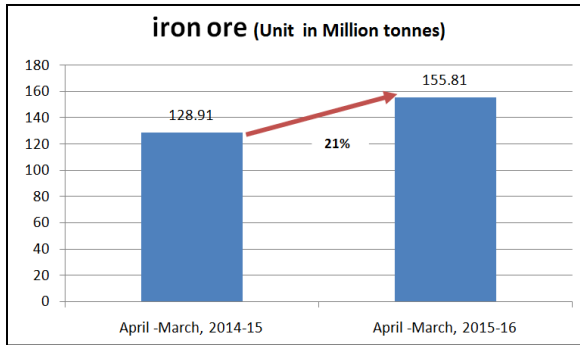
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Market Scenario:

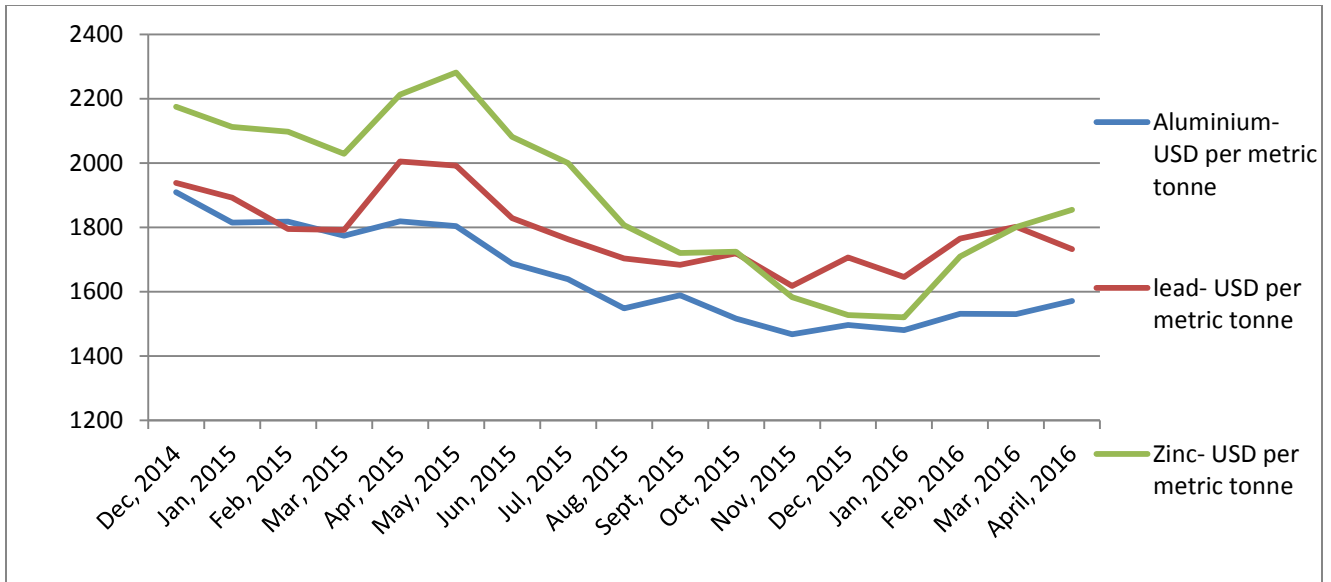
In the year 2015-16, India's mining sector output recorded a growth of 9 percent which is a substantial turnaround after three consecutive years of contraction since 2011-12 and a marginal recovery in the year 2014-15, signaling a higher demand for raw material in the domestic as well as international market. With the Index of Mineral Production for industry at 2 percent for the year 2015-16, rise in the mining output and electricity output seems to predict a sustainable industrial recovery.

Performance of Mining Sector in April, 2016:

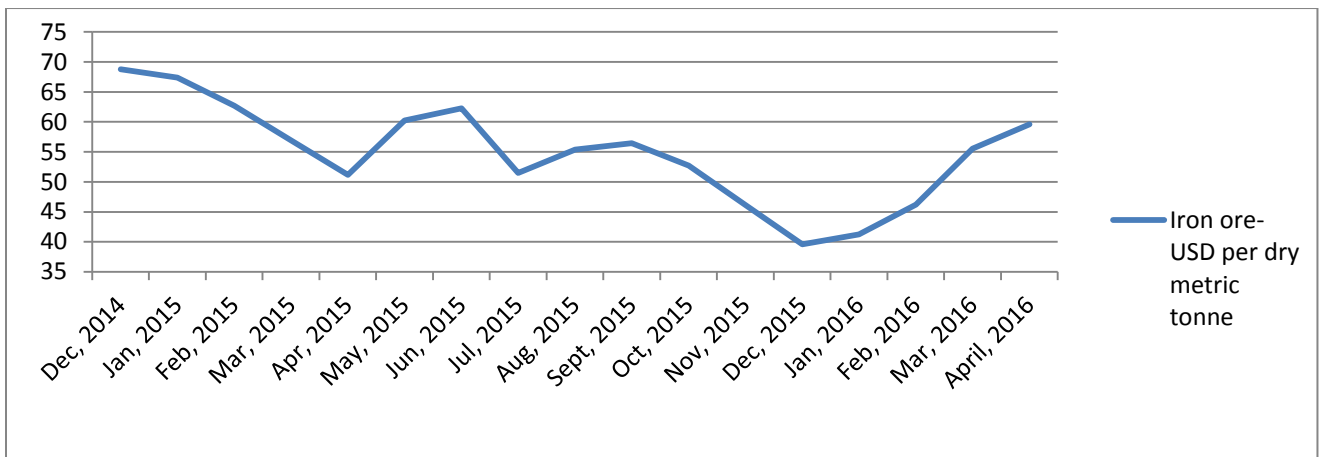
- The indices of Industrial Production for the mining sector (both fuel and non- fuel) in the month of March, 2016 stand at 148.8 which is marginally lower with a corresponding growth rate of (-0.1) percent as compared to March, 2015. However, the cumulative growth in the sector during April- March 2015-16 was 2.2 percent over the corresponding period of previous year.
- Index of Mineral Production for minerals under MCDR for March, 2016 was 151.2 which is 7.9% higher as compared to the level in the month of February, 2016. The important minerals showing positive growth during the month as compared to the corresponding month of previous year are Bauxite, Chromite, Copper Conc., Iron ore, Gold, Lead conc. Diamond, Garnet (Abrasive), Graphite, Kyanite, Limestone, Magnesite, Selenite, Sillimanite, etc. However, Manganese Ore, Tin Conc., Zinc Conc. Fluorite (graded), Limeshell, Phosphorite, Vermiculite, Wollastonite, etc. have shown negative growth during current month when compared to same month of previous year.
- There is a noticeable surge in mineral production in India. The production of major minerals during the current financial year up to March has recorded a growth of 9 % in comparison to same period last year. The real contributor to this growth story have been Bauxite (27 %), Chromite (33 %), Copper Conc. (30 %), Iron ore (21 %) and Lead Conc. (32 %) in the metallic segment.



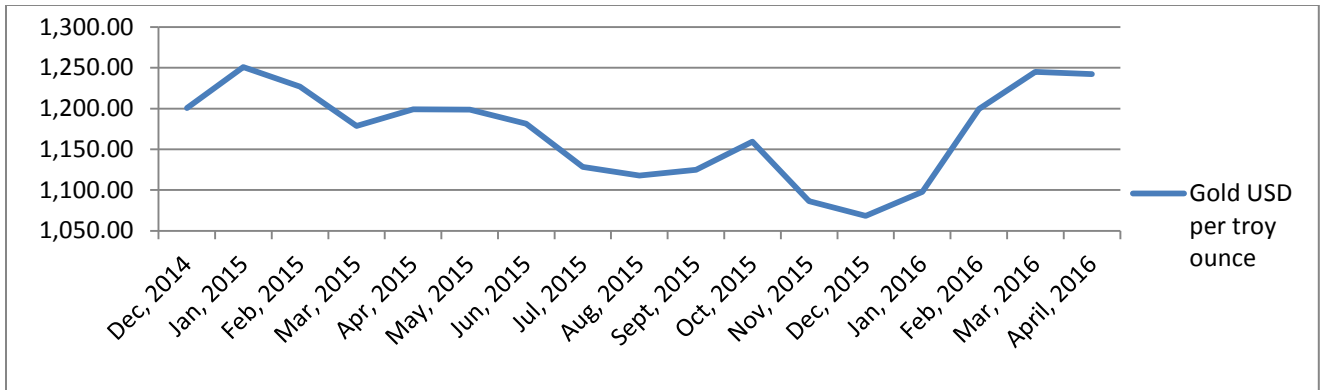
- While production on tonnage basis has registered appreciable growth, in value terms a decline of 6% has been recorded during the year 2015-16. This is mainly due to prevailing volatility in the international commodity market.
- If we look at the monthly fluctuation in prices of some major minerals like aluminium, lead, zinc, copper, etc., we can observe a huge decline in the past one year i.e., from April, 2015 to March, 2016, while some minerals like iron ore, gold, etc have shown positive trend which can be seen in Annexure attached. Given below are the graphs depicting fluctuation in prices of minerals during the one and half year period from Dec, 2014 to April, 2016.



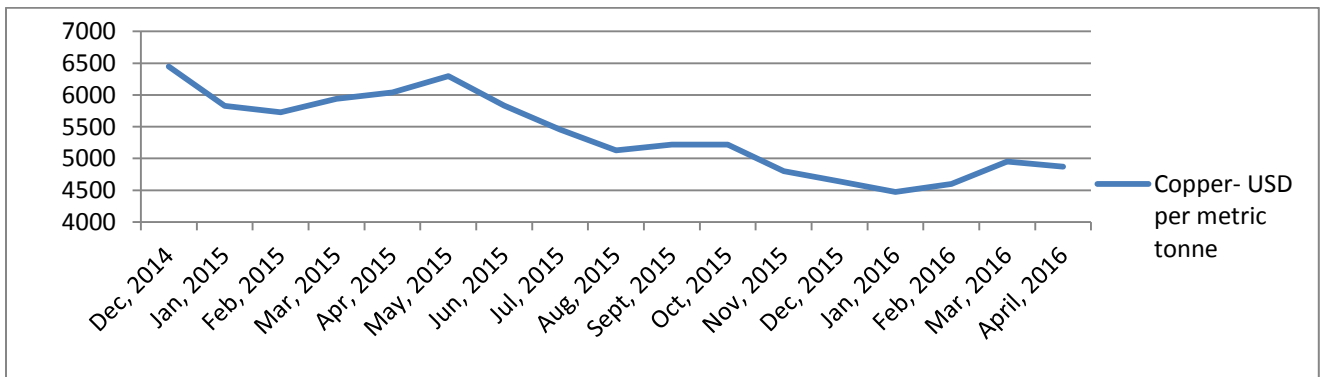
- The price of aluminium declined from USD 1819 per metric tonne in April, 2015 to USD 1531.01 in March, 2016, registered a decline of 15.8 percent. Similarly, the price of lead declined from USD 2005 per metric tonne in April, 2015 to USD 1802 in March, 2016, registering a decline of 10.1 percent. The price of Zinc declined from USD 2212.7 per metric tonne in April, 2015 to USD 1801.7 in March, 2016, registering a decline of 18.6 percent.



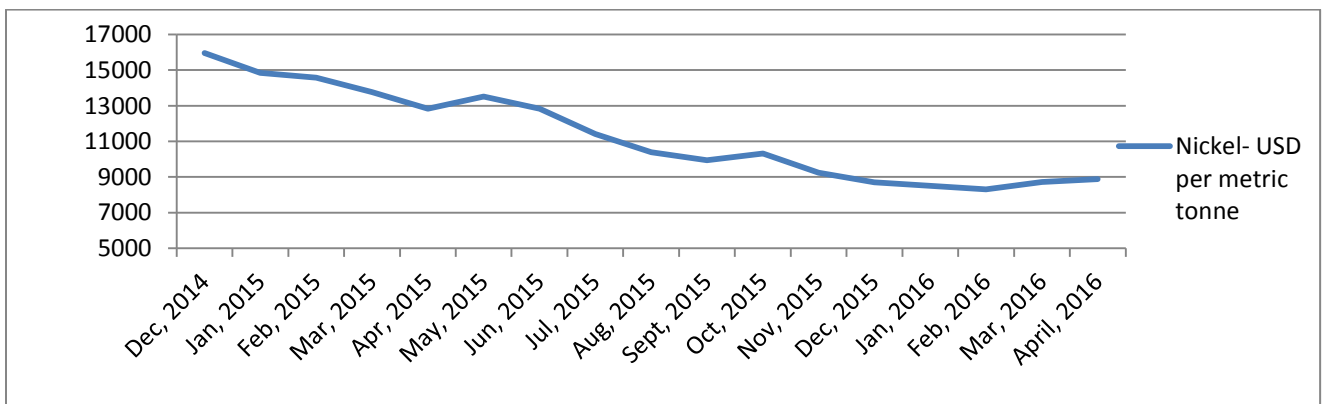
- The price of iron ore improved from USD 51.2 per dry metric tonne in April, 2015 to USD 55.5 in March, 2016, registering a growth of 8.5 percent.



- The price of Gold declined from USD 1198.9 per troy ounce in April, 2015 to USD 1245.14 in March, 2016, registered a growth of 3.8 percent.



- The price of copper declined from USD 6042.09 per metric tonne in April, 2015 to USD 4953.8 in March, 2016, registered a decline of 18 percent.



- The price of Nickel declined from USD 12,830.9 per metric tonne in April, 2015 to USD 8717.25 in March, 2016, registered a decline of 32.1 percent.

- If we compare the prices of mineral in April, 2016 to March, 2016, we may observe that minerals like Aluminium, Zinc, Nickel and Iron ore have registered a positive growth of 2.6 percent, 2.9 percent, 1.9 percent and 7.3 percent respectively. However, the day to day fluctuations are pronounced making it too early to predict any revival trend.

Key Decisions & Achievements:

- Coordination-cum- Empowered Committee (CCEC) meeting on Mineral Development and Regulation was convened on 06.04.2016 by Secretary (Mines) to emphasize the need to expedite e-auction of mineral blocks and constitution of District Mineral foundation. This meeting was attended by 12 mineral rich states.
- To examine the issues of iron ore miners & exporters and the pellet industry, two separate meetings were convened on 11.04.2016 by Secretary (Mines). Numerous steps were identified to make iron ore export feasible and also to make it available to the pellet industry.

In the same context, Ministry of Mines had recommended Ministry of Railways in a letter dated 22.04.2016 for the removal of Distance based charge in case of iron ore which are used other than for domestic consumption which has now been brought into effect in the rates circular No. 16 of 2016 dated 09.05.2016.

- Stakeholders' consultation workshop on Star rating scheme was held on 19.04.2016 to finalize star rating template based on public comments and to decide for its implementation.
- Technical Committee of National Mineral Exploration Trust (NMET) in its meeting held on April 1-2, 2016 cleared 13 projects in states of Chhattisgarh, Karnataka, Madhya Pradesh, Maharashtra and Odisha for minerals like Iron ore, Manganese ore, Limestone, bauxite and gold costing around Rs 28.21 crore for its approval from Executive Committee.
- In exercise of powers conferred by Section 18 of the Mines and Minerals (Development and regulation) Act, 1957, Rule 45 of Mineral Conservation and Development rules, 1988 has been amended dated 19.04.2016 to enable the filing of returns online (giving details of mineral transaction by individual miner).
- Cumulative District Mineral Fund (DMF) and National Mineral Exploration Trust (NMET) contributions for the year 2015-16 worked out to be Rs. 574 crores and Rs.201 crores respectively after its establishment in MMDR (Amendment) Act, 2015.

- To facilitate auction of blocks, Indian Bureau of Mines has recently started releasing monthly prices of additional two minerals namely, Gallium and Vanadium apart from the existing 32 minerals whose prices they release every month.

Mining Sector in News:

- New Regional Office of Indian Bureau of Mines was inaugurated on 18.04.2016 at Raipur, Chattisgarh by Dr. Raman Singh, Hon'ble Chief Minister of Chhattisgarh and Shri Vishnu Deo Sai, Hon'ble Minister of State, Ministry of Mines and Steel.
- Hon'ble president of India conferred the National Geo- Science Award (NGA) on 33 geoscientist in recognition of their extraordinary achievements and contributions in the field of fundamental/ applied geosciences, mining and allied areas for the year 2014 held on 05.04.2016 at Rashtrapati Bhawan. The award for excellence was conferred on Dr. Ashok K Singhvi, PRL, Ahemdabad for his life- time contribution in geosciences.

(Annexure)

	Aluminium	lead	Zinc	Copper	Nickel	Gold	Iron ore
Unit	USD per metric tonne	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
Month							
Dec, 2014	1909.46	1938.11	2175.76	6446.45	15962.05	1200.62	68.8
Jan, 2015	1814.72	1893.13	2113.05	5830.54	14849.19	1250.75	67.39
Feb, 2015	1817.82	1795.66	2097.76	5729.27	14573.84	1227.08	62.69
Mar, 2015	1773.86	1792.47	2028.73	5939.67	13755.5	1178.63	56.94
Apr, 2015	1819.19	2005.36	2212.73	6042.09	12830.92	1198.93	51.15
May, 2015	1804.04	1991.78	2281.8	6294.78	13511.34	1198.63	60.23
Jun, 2015	1687.73	1829.5	2082.09	5833.01	12825.23	1181.5	62.29
Jul, 2015	1639.5	1763.04	2000.68	5456.75	11413.1	1128.31	51.5
Aug, 2015	1548.13	1703.6	1807.64	5127.3	10386	1117.93	55.38
Sept, 2015	1589.6	1684.25	1720.23	5217.25	9937.55	1124.77	56.43
Oct, 2015	1516.49	1720.11	1724.34	5216.09	10316.83	1159.25	52.74
Nov, 2015	1467.89	1618.35	1583.31	4799.9	9244.33	1086.44	46.16
Dec, 2015	1497.2	1706.58	1527.79	4638.83	8707.79	1068.25	39.6
Jan, 2016	1481	1646.2	1520.36	4471.79	8507.29	1097.91	41.25
Feb, 2016	1531.26	1765.75	1709.85	4598.62	8298.5	1199.5	46.18
Mar, 2016	1531.01	1802.19	1801.69	4953.8	8717.25	1245.14	55.52
April, 2016	1571.23	1732.27	1855.37	4872.74	8878.86	1242.26	59.58

Source: www.indexmundi.com