

Indian Mining — Riding on Bumpy Road

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In the words of Vedanta Chairman, for there to be 'MADE in INDIA', there has to be 'MINE in INDIA'.

Essentially, our mining Sector is passing through a very critical stage and it appears to be a turning point for this sector.

Some issues confronting on the Legislation Side are:-

Firstly, this sector does not have Industry Status and consequently does not enjoy the benefits although it is well qualified to do so.

The sector also suffers from the dual regulatory structure of Central & State, particularly in the specified mineral areas, which are all critical to the Steel Industry and which in turn is the barometer of any country's economy growth. A case in point is the non implementation of the MMDR Amendment by the States, and which is causing a mineral famine to various industries.

It is therefore necessary to envision an Investment Promotion Board for this sector, for a single window and fast track clearance, on all aspects, and involving all stakeholders so that Investor Confidence is re-awakened, because Mineral Extraction has to be In Situ, so issues will definitely crop up.

Secondly, while the States have reaped the benefits of improved royalties, the same have

not been plowed back into modern regulatory systems using satellite imagery and GPS systems to prevent illegal mining.

Thirdly, the new exploration policy being NON EXCLUSIVE, has failed to attract investments and already the budget of Geological Survey of India is insufficient to tackle adequately the requirements. This needs to be changed particularly for the exploration of Rare Earth Minerals which are essential to our electronics sector.

Fourthly, the rise of awareness by Civil Society and Tribals for their rights has resulted in large number of litigations, adversely affecting the investment flows in this sector.

A case in point is that our country from being a nett exporter of over 100 million tonnes of Iron Ore has now become a nett importer of this mineral.

And lastly, there is a severe mismatch between the Mineral Quality produced and the design of our Industrial Plants, which needs to be bridged by appropriate research and development of Beneficiation Technologies, in preference to the basic and irrelevant research being done in our Mineral Laboratories, at the moment.

In all, the current scenario on this sector remains Investor Negative and for investment to flow into this Sector, which is the Back End of the downstream Mineral Processing Industries, the Government's - both Central and State need to examine the bottlenecks and evolve adequate policies to attract interest and consequently investments to ensure the Mineral Security.

