

Indian Mining Exchange

News Bulletin, 5th December 2011

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(Sourced from ET)

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AN ANALYSIS

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MMDR Bill

Reforms in Mining Sector

Ministry of Mines 02-December, 2011 13:10 IST

As part of the process to introduce reforms in the mining sector, the Government has approved the draft Mines and Minerals (Development and Regulation) Bill, 2011 (MMDR Bill), for introduction in the Parliament. The draft Bill, inter-alia, provides :

- a simple and transparent mechanism for grant of mining lease or prospecting licence through competitive bidding in areas of known mineralization, and on the basis of first-in-time in areas where mineralization is not known;
- it enables the mining holders to adopt the advanced and sophisticated technologies for exploration of deep-seated and concealed mineral deposits, especially of metals in short supply through a new mineral concession;
- it enables the Central Government to promote scientific mineral development, through Mining Plans and Mine Closure Plans enforced by a central technical agency namely the Indian Bureau of Mines, as well as the Regulatory Authorities and Tribunals;

- it empowers the State Governments to cancel the existing concessions or debar a person from obtaining concession in future for preventing the illegal and irregular mining;
- it empowers the Central Government and State Governments to levy and collect cess;
- establishment of the Mineral Funds at National and State level for funding the activities pertaining to capacity building of regulatory bodies like Indian Bureau of Mines and for research and development issues in the mining areas;
- it provides for reservation of an area for the purpose of conservation of minerals;
- it enables the co-operatives for obtaining mineral concessions on small deposits in order to encourage tribals and small miners to enter into mining activities;
- it empowers the Central Government to institutionalize a statutory mechanism for ensuring sustainable mining with adequate concerns for environment and socio-economic issues in the mining areas, through a National Sustainable Development Framework;
- it provides for establishment of the National Mining Regulatory Authority which consists of a Chairperson and not more than nine members to advise the Government on rates of royalty, dead rent , benefit sharing with District Mineral Foundation, quality standards, and also conduct investigation and launch prosecution in cases of large scale illegal mining;
- it provides for establishment of the State Mining Regulatory Authority consisting of such persons as may be prescribed by the State Government to exercise the powers and functions in respect of minor minerals;
- it provides for establishment of the National Mining Tribunal and State Mining Tribunal to exercise jurisdiction, powers and authority conferred on it under the proposed legislation;
- it empowers the State Governments to constitute Special Courts for the purpose of providing speedy trial of the offences relating to illegal mining;
- it provides for stringent punishments for contravention of certain provisions of the proposed legislation; and

This information was given by the Minister of State for Mines (Independent Charge) Shri Dinsha Patel in a written reply to a question in Lok Sabha today

SKS

(Release ID :78068)

<http://pib.nic.in/newsite/erelease.aspx?relid=78068>

COAL

Update on demand and supply of coal in India

Central Government does not import coal. Under the present import policy of the Government, Coal is placed under Open General License and can be freely imported by anyone in the country on payment of applicable import duty. This was informed by Mr Pratik Prakashbapu Patil minister of state in the ministry of coal while replying a written question in Rajya Sabha.

The minister said that the Coal Regulatory Authority is proposed to be set up to regulate and conserve resources in the coal sector; protect the interests of consumers and producers of coal and for matters connected therewith or incidental thereto. The proposed Regulator is expected to create a level playing field for all players in the coal sector and facilitate faster resolution of issues relating to economic pricing of coal, bench marking of standards of performance etc. The comments of concerned Ministries/Departments have been received and some major changes/suggestions have been made by some Ministries/Departments. At present, suitable incorporation of these changes/suggestions is being examined in consultation with the Ministry of Law. Once finalized, the draft Bill would be submitted for the approval of the competent authority.

The coal demand of various sectors is finalized by the Ministry of Coal/Planning Commission on annual basis, after discussions with all the stakeholders. The production and supply position of the Government coal companies are periodically monitored at the coal company level and reviewed by the Ministry of Coal.

http://www.steelguru.com/raw_material_news/Update_on_demand_and_supply_of_coal_in_India/238506.html

Letting RPL use extra coal: CAG objects, Shinde proposes U-turn

Posted: Wed Nov 30 2011, 00:48 hrs New Delhi:

Days after a report by the Comptroller and Auditor General alleged that the Government bent norms to let Reliance Power Ltd use extra coal meant for its Ultra Mega Power Projects (capacity above 4000 MW), Union Power Minister Sushil Kumar Shinde has stepped in to reverse an earlier decision.

Shinde is now proposing that excess coal from blocks allotted for RPL's UMPPs cannot be diverted for its other power plants. This new proposal, to be discussed by the Empowered Group of Ministers on December 5, is in sharp contrast to the 2008 decision of the EGoM — also headed by Shinde — to allow RPL to divert surplus coal from its Sasan UMPP for use in its Chitrangi project in Madhya Pradesh.

According to the revised proposal, excess coal from a block allotted to a UMPP can only be used in plants that sell power at the same tariff that's quoted by the UMPP promoter. This would bar RPL from using coal from Sasan UMPP — which will sell electricity at Rs 1.19 per unit — for use at the 4,000 MW Chitrangi project that is concluding power-purchase agreements at a tariff ranging from Rs 2.45 to Rs 3.65 per unit.

<http://www.indianexpress.com/news/Letting-RPL-use-extra-coal--CAG-objects--Shinde-proposes-U-turn/882163/>

IRON ORE, IRON AND STEEL

India to host World Steel Conference in 2012

In an indication of India's emerging importance on the world steel map and massive growth it is poised for in this sector, India has been awarded the right to hold the World Steel Conference in October next year.

The governing body of the World Steel Association, representing 170 producers and accounting for 85% of world steel production, has decided to give the rights to hold the World Steel Conference in India from October 8 to 12 next year.

Mr CS Verma chairman of SAIL made this offer in Paris on behalf of India's committee consisting of six leading steel producers of India. He extended a warm invitation to all CEOs of leading steel producing countries and companies to attend the conference to be held in New Delhi.

Mr Verma said the views expressed by the global steel barons would go a long way in making the steel industry more sustainable, in the backdrop of the global economic uncertainties and volatilities in the recent past.

He added that “The conference in New Delhi will give a glimpse of the rich heritage and culture of India.”

http://www.steelguru.com/indiannews/India_to_host_World_Steel_Conference_in_2012/238128.html

Race for resources - SAIL banking on government support for Afghan project

Saturday, 03 Dec 2011

The Indian consortium, which was awarded the rights to mine three iron ore blocks in Afghanistan made it clear that it is banking on government assistance to execute the project that will require an expenditure of about USD 11 billion.

Mr CS Verma chairman of SAIL in a press conference said that "We have already requested for government assistance for the project through the steel ministry."

He said "Since Afghanistan is in the negative list, banks and financial institutions will not take the risk to such an exposure. The consortium will not be in a position to raise money on its own either. The members of the consortium will, however, bear the cost of exploration, pegged at USD 75 million over three years."

Mr Verma said that the steel plant alone will cost about USD 7 billion. The consortium members are hoping to start negotiations on the contract before the month end.

Now that the Steel Authority of India led consortium has been chosen as the preferred bidder to 1.28 billion tonne of the estimated 1.8 billion tonne deposit at Hajigak, it has to start work on finalising the contract. It is committed to building a steel plant along with mining iron ore reserves in the war ravaged country.

(Sourced from ET)

Steel sector to be stable for 10 years, says Joint Secretary Dalip Singh

PTI Nov 29, 2011, 05.41pm IST

JAMSHEDPUR: The steel sector would not feel any pressure in the next 10 years due to increasing domestic demand, said Dalip Singh, Joint Secretary, Union Ministry of Steel.

"The global economic slowdown did not have any impact in the country and the steel sector will not have any pressure for next ten years due to the increasing domestic demand," Singh told reporters.

Singh, who was here to attend the Dissemination Seminar for India-Japan Model project for Coke Dry Quenching, said the steel sector was growing by 10 to 12 per cent, which was slightly more than the growth of GDP.

"We have produced 69.52 million tonnes of steel last fiscal and expected to achieve 10 to 12 per cent increase this fiscal," he said adding that production witnessed six to eight per cent growth while the demand stood at 10 to 12 per cent.

Brown field projects were progressing well but the progress in green field projects was slow due to reasons like land acquisition and clearance from forest and environment departments.

On the ongoing expansion programmes of several steel plants including SAIL-owned Bokaro Steel Plant and Tata Steel in Jharkhand, he said SAIL's capacity would increase from 12 million tonnes to 21 million tonnes next year.

http://articles.economictimes.indiatimes.com/2011-11-29/news/30454631_1_steel-sector-tata-steel-bokaro-steel-plant

Panel recommends ArcelorMittal's Jharkhand mine for clearance

MSN India 04/12/2011

New Delhi, Dec 4 (PTI) An environment Ministry panel has recommended green nod to ArcelorMittal's mining project in Jharkhand having an estimated production capacity of 5 million tonnes per annum (MTPA) of iron ore.

The project, Meghahatuburu Iron & Manganese Ore mine located in west Singhbhum district of Jharkhand, holds significance for the world's largest steelmaker for raw material security to its proposed 12 MTPA steel mill in the state entailing an investment of Rs 50,000 crore.

"An MoEF panel Expert Appraisal Committee (EAC) has recommended the project for environmental clearance subject to their obtaining forestry and wildlife clearances," a source privy to the knowledge said.

The project has been pending for over three years.

While recommending green nod, the Ministry of Environment and Forests (MoEF) panel EAC also considered a letter from Jharkhand State Pollution Control Board stating that the particulate level has come down in the area and was also within the limits prescribed.

"The mine lease areas being the forestland, the proponent (ArcelorMittal India) have already submitted their application for forestry clearance for diversion of forestland," the source added.

On concerns that the mining area is in close vicinity of Project Elephant in the state, the panel, as per the source, said, "It was also stated that no elephant corridor is within 10 km of the mine lease. A map duly authenticated by Chief Wildlife Warden, Jharkhand government has been submitted in this regard."

Last week a Steel Ministry official has said that the firm is serious to set up its unit in India.

"ArcelorMittal group is serious to set up their unit in India and so is the government," Joint Secretary, Ministry of Steel Dalip Singh has said.

The global steel giant has plans to build 2 mega steel plants of 12-million tonne per annum (MTPA) each in Jharkhand and Orissa and one 6-MTPA plant in Karnataka at a total estimated investment of Rs 1,30,000 crore (about USD 25 billion).

The firm has applied for allocation of iron-ore mines in Karnataka, Orissa and Jharkhand and recently, the company began drilling operations in Seregarha coal block in Latehar district of Jharkhand for its proposed plant, for which a pact was signed with Jharkhand government over five years back.

Besides this, it is also awaiting permission from the state government to begin drilling at the Karampada iron ore mine in West Singhbhum district, where it is conducting prospecting exercise.

The mine is estimated to have 200 million tonne iron ore.

<http://news.in.msn.com/business/article.aspx?cp-documentid=5648163>

Private sector to blame for denial of captive iron ore mines to RINL

Steel Trade Today, Wednesday, Nov 30, 2011

According to Mr Gaya Singh president of the All India Steel Workers' Federation, affiliated to the AITUC, private sector is principally responsible for denial of captive iron ore mines to the Rashtriya Ispat Nigam Ltd and the local people's representatives are also unable to exert pressure on the union government and the steel ministry.

Mr Gaya Singh in an interview said that the private sector lobby is very strong and as a result, the public sector steel plants in the country were suffering.

TATA Steel wins CII National Award for extraordinary water management

Friday, 02 Dec 2011

TATA Steel the world's seventh largest steel company has received the Confederation of Indian Industry's National Award for Excellence in Water Management 2011.

Company's Mines Division, Noamundi has been awarded Confederation of Indian Industry's National Award for Excellence in Water Management 2011 for its "Most Innovative Rainwater Harvesting Project."

The National Competition for excellence in water management, organized by CII, was held at Jaipur from November 23rd to 25th 2011. Mr Gurmeet Singh Kunnar minister of State for Agriculture Marketing and Water Resources, Government of Rajasthan presented this prestigious award to Company.

The present year's theme for CII's Water Conclave 2011 was "Harnessing water resource for better tomorrow."

TATA Steel's Mines Division, Noamundi has been conferred with the award for its rain water harvesting project at Noamundi situated in West Singhbhum district of Jharkhand and its horizontal deployment at Joda in Keonjhar district of Orissa.

(Sourced from www.commodityonline.com)

BAUXITE, ALUMINA AND ALUMINIUM

Centre to give green signal for bauxite mining?

Andhra Pradesh | Posted on Nov 28, 2011 at 07:43am IST

Express News Service, The New Indian Express

VISAKHAPATNAM: Tribal people and non-government organisations in the district are apprehensive that the bauxite mining project will be cleared by the environment and forests without a proper study on the impact in Anantagiri and Araku mandals in the Agency areas of Visakhapatnam district. Tribal Cultural Research and Training Institute's former director VN Sastry and director general of Administrative Staff College of India SK Rao, part of a four member team set up by the Union ministry of environment and forests, was to visit the areas this month and submit a report on the implications of bauxite mining on tribals and other stakeholders, the visit has not materialised so far, fuelling speculation that it may not take place at all. The NGOs wonder if the two member team would visit the areas at all as the other two members had already visited the area in October. The two members, former director general of forests and former chairman of National Environment Appellate Authority (NEAA) JC Kala and former principal chief conservator of forests M Kamala Naidu, made a secret visit to Araku and Anantagiri on October 10 and 11. Their visit had been kept secret because of threat from Maoists. The dates of their visit coincided with the Bharat Bandh called by Maoists on October 11, which was to protest against the arrest of their leader of special zonal committee of AP Odisha border Damodar alias Azad. He was reportedly arrested by the Andhra Pradesh police near Dandabadi in Odisha. Sources said JC Kala and M Kamala Naidu visited Rattakonda, Gaalikonda and a few other hilly areas where the Andhra Pradesh Mining Development Corporation (APMDC) sought permission for mining the deposits of bauxite for supply to the proposed Jindal South West Holding Limited's aluminium refinery at Boddavaram in S.Kota mandal in Vizianagaram district. The government is planning to conduct a public hearing on bauxite mining either in December or in January. According to highly placed sources, the government is preparing plans to take up developmental works in tribal villages within the 8 km radius of the Jerrela reserves as the villages will be affected by mining. The bauxite ore from Jerrela deposits will be supplied to Anrak Alumina Company through APMDC and the ore from Araku to the Jindal company. Mining lobby Convener of Forum for Better Visakha and former secretary in the Union ministry of power EAS Sarma said the Union ministry of mines had suspended the bauxite mining leases last year but the government was trying to revive them under pressure from the mining lobby. He claimed that the work on the alumina refinery of Anrak Aluminium Limited at Rachapalle village in Makavarapalem mandal was going apace. Land acquisition has begun for construction of a captive jetty with minor port status at Rajayyapeta village in Nakkapalle mandal. Anrak Aluminium Limited is a joint venture between Ras al Khaimah and the Penna group of industries and has clearance for bauxite mining through APMDC. It has obtained environmental clearance but is yet to get forest clearance. Sarma said the committee may have submitted its report to MoEF without conducting a study. Secret visit CPM district secretary Ch. Narasinga Rao said the secrecy of the visit of two members of the 4 member committee to the areas where bauxite is sought to be mined was raising the

suspicion whether the MoEF had already received a report and gave a green signal for bauxite mining. He said tribal people had been opposing bauxite mining on the ground that it would hit their livelihood and damage the environment. The government signed MoUs with Jindal and Anrak for supply of bauxite ore to the two companies. He said Union minister for tribal welfare Kishore Chandra Deo assured that he would take steps to stop the proposed bauxite mining but a committee was sent secretly to conduct a survey, Rao alleged.

<http://ibnlive.in.com/news/centre-to-give-green-signal-for-bauxite-mining/206484-60-114.html>

Govt to retain its stake in Balco for now

Updated on Tuesday, November 29, 2011, 23:23

New Delhi: An Empowered Group of Ministers (EGoM) today decided to maintain status quo with regard to its remaining 49 percent stake in aluminium maker Balco.

Vedanta Group firm Sterlite Industries holds 51 percent stake in Balco. According to sources, Vedanta chief Agarwal had written a letter to Prime Minister Manmohan Singh on July 4 regarding the government's residual stake.

In a meeting of the EGoM, called to discuss the government's response to a letter by Agarwal, it was decided that status quo will be maintained, a senior Mines Ministry official told media.

"The Prime Minister wanted the EGoM to approve the draft of the letter to be sent to Vedanta chief and the EGoM today approved it saying that the status quo will be maintained," the official said.

Last year, the government had said that it would sell its residual stake in Balco at a much higher price, adding that the strategic sale of equity in Balco was done in "haste" in 2001.

During the tenure of NDA government, Sterlite had snapped up 51 percent stake in Balco for Rs 551 crore in 2001.

In January this year, an arbitration panel had struck down call option of Sterlite Industries to buy government's residual stake in the firm.

With the call option, Vedanta group firm Sterlite was looking to acquire the remaining stake in Balco. Call option is an agreement that gives the buyer a right to buy some part of an asset at a specified price at a specified time frame.

The Empowered Group of Ministers, headed by Finance Minister Pranab Mukherjee, also include Law Minister Salman Khurshid, Mines Minister Dinsha Patel and Heavy Industries Minister Praful Patel.

http://zeenews.india.com/business/companies/govt-to-retain-its-stake-in-balco-for-now_34779.html

AN ANALYSIS

Can you hear the Chinese whispers grow louder?

Brahma Chellaney Dec 4, 2011, 05.30AM IST

As geopolitical rivals, India and China face each other over a highly disputed border. The inviolability of virtually the entire 4,057 km border - one of the longest in the world - has been called into question by China's increasing cross-frontier military incursions and its calculated refusal to mutually draw a fully agreed line of control along the Himalayas.

The amount of Indian land China occupies or openly covets tops 135,000 sq km, or approximately the size of Costa Rica. China currently has unresolved land and sea border disputes with 11 other neighbours. But in comparison with China's territorial disputes with other neighbours now or even in the past, its land disputes with India stand out for their sheer size and importance.

Beijing's last-minute postponement of a scheduled round of border talks constitutes no real loss for New Delhi because China has used these 30-year-long negotiations to keep India engaged while blocking any real progress. Even as Beijing has since 2006 provocatively revived its claim to Arunachal Pradesh and concurrently stepped up cross-border forays in all sectors, New Delhi has stayed locked in these fruitless talks.

Let's be clear: These talks, constituting the longest and the most barren process between any two nations post-World War II, have only aided the Chinese strategy to mount more military pressure while working to hem in India behind the cover of engagement.

For example, by deploying several thousand troops in Pakistan occupied Kashmir and playing the Kashmir card against India in various ways, China has clearly signalled its intent to squeeze India on Jammu and Kashmir. The military pressure China has built up on Arunachal may just be tactical. The plain fact is that India's vulnerability in J&K has been heightened by the new Chinese military encirclement.

To help undermine the Dalai Lama's role, Beijing is now exerting pressure on India to deny the Tibetan leader any kind of public platform. The recent diplomatic spat, as the Chinese foreign ministry has acknowledged, was not just about the Dalai Lama's address to a religious conference that overlapped with the now-scrapped talks. Rather, Beijing brashly insists that India not provide him a public platform of "any form."

Beijing draws encouragement from its success in bringing India's Tibet stance in full alignment with the Chinese line. In 2003, the aging and ailing Atal Bihari Vajpayee surrendered India's last remaining leverage on Tibet when he formally recognized the

cartographically dismembered Tibet that Beijing calls the Tibet Autonomous Region (TAR) as "part of the territory of the People's Republic of China." In recent years, even as Beijing has mocked India's territorial integrity, New Delhi has not sought to subtly add some flexibility to its Tibet stance.

In fact, Manmohan Singh's climbdown in first suspending bilateral defence exchanges and then meekly resuming them has only emboldened Beijing. India froze defence exchanges in response to Beijing's stapled-visa policy on J&K and its refusal to allow the Northern Command chief to head an Indian military delegation to China. Yet Singh personally delivered a two-in-one concession to Beijing earlier this year, agreeing to resume defence talks by delinking them from the stapled-visa issue and dropping the Northern Command chief as the Indian military team's leader.

Even in the latest dust-up , where was the need for the Indian President to first agree to inaugurate the international Buddhist conference and then chicken out even after the Chinese had cancelled the scheduled border talks? The PM too backed out.

Just as Beijing compelled New Delhi to climb down on the defence talks, it is likely to drive a hard bargain on the border talks, even though their indefinite suspension can only help bare the actions of the encircler, which wishes to expand its 1951 Tibet annexation to Arunachal.

China has upped the ante on the Dalai Lama because it recognizes that he remains a major strategic asset for India. By asking New Delhi to go beyond denying him a political platform to denying him even a religious platform, it is seeking to extend its containment of India to the Dalai Lama. And it wants India's help in this endeavour.

Actually, China has embarked on a larger strategy to cement its rule on an increasingly restive Tibet by bringing Tibetan Buddhism under the tight control of an atheist state. From its capture of the Panchen Lama institution to its decree to control the traditional process of finding the reincarnation of any senior lama who passes away, Beijing is acting long term. It is also waiting to install its own marionette as the next Dalai Lama when the present incumbent dies. Only India can foil this broader strategy - and it must for the sake of its own interests.

The writer is a strategic analyst

<http://timesofindia.indiatimes.com/india/Can-you-hear-the-Chinese-whispers-grow-louder/articleshow/10976342.cms>
