

Indian Mining Exchange

News Bulletin, 12th September 2011

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[http://www.smartinvestor.in/market/Econnews-87477-Econnewsdet-New Mines Bill to be tabled in Parliament in winter session.htm](http://www.smartinvestor.in/market/Econnews-87477-Econnewsdet-New%20Mines%20Bill%20to%20be%20tabled%20in%20Parliament%20in%20winter%20session.htm)

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Athirappilly Project to remain a pipe dream Express News Service, The New Indian Express

<http://ibnlive.in.com/news/athirappilly-project-to-remain-a-pipe-dream/182085-60-116.html>

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<http://photoblog.msnbc.msn.com/news/2011/09/06/7635838-westech-truck-hauls-447-tons-of-coal-sets-guinness-world-record>

New study says solar competitive with coal by 2013 in some countries

<http://www.mining.com/2011/09/07/new-study-says-solar-competitive-with-coal-by-2013-in-some-countries/>

Mozambique: the birth of a new coal exporter

http://www.hellenicshippingnews.com/index.php?option=com_content&view=article&id=44968:mozambique-the-birth-of-a-new-coal-exporter-&catid=17:freight-news&Itemid=79

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RINL VSP unions appeal for stopping share sale

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Battle for bigger share of the white metal

<http://af.reuters.com/article/metalsNews/idAFL5E7K82XZ20110908>

China To Be Net Aluminum Importer - Rio Tinto Alcan CEO

<http://www.foxbusiness.com/industries/2011/09/08/china-to-be-net-aluminum-importer-rio-tinto-alcan-ceo/>

DUBAL, EMAL to raise profile at global forum

http://www.khaleejtimes.com/DisplayArticle.asp?xfile=data/business/2011/September/business_September72.xml§ion=business&col=

Banks still winners in aluminium warehouse play

<http://www.reuters.com/article/2011/09/07/uk-aluminium-wharehouses-idUKLNE78604B20110907>

Alcoa Looks to the Sky to Cut its Mine's Energy Footprint

<http://www.greenbiz.com/news/2011/09/14/alcoa-looks-sky-cut-mines-energy-footprint>

Limestone and Cement

Nirma asked to prove, its cement plant in Gujarat is on wasteland

<http://profit.ndtv.com/news/show/nirma-asked-to-prove-its-cement-plant-in-gujarat-is-on-wasteland-176856>

Environment and Forests

Haryana: Now, security policy for whistle-blowers

http://zeenews.india.com/news/haryana/haryana-now-security-policy-for-whistle-blowers_730513.html

Valuing the trees through the forest

<http://web.mit.edu/newsoffice/2011/valuing-forests.html>

No Decrease in Land under Forest Cover

<http://pib.nic.in/newsite/erelease.aspx?relid=75515>

Details of State-Wise Funds Released for Afforestation

<http://pib.nic.in/newsite/erelease.aspx?relid=75650>

Land

New Land Bill tabled in Parliament

The new Mines Bill, which provides for sharing of profits and royalty with project-affected people, is likely to be introduced in the winter session of Parliament, a senior official said.

The Bill, earlier supposed to be tabled during the just concluded monsoon session, has not yet been placed before the Cabinet despite the fact that it was approved by a ministerial panel in July.

When asked, Mines Secretary S Vijay Kumar told PTI, "There is no delay. We have sent the Cabinet note on the draft bill to Cabinet Secretariat and other concerned ministries. It will soon come up before the Cabinet for approval".

He added that "the draft bill is now likely to be introduced in Parliament in its next session after the Cabinet approval".

In July, the ministerial panel, headed by Finance Minister Pranab Mukherjee, had approved the draft bill, which provides 26% profit-sharing with displaced people by coal mining companies.

For the non-coal miners, the new law will provide for payment to the displaced an amount equivalent to royalty paid to the state government.

The draft Mines and Mineral Development and Regulation (MMDR) Bill, 2011, seeks to replace more than half-a-century old law under the same name.

The draft bill also proposes to set up a district development fund, where the money accumulated from the 26% profit sharing by coal miners and an amount equivalent to 100% of royalty for non-coal miners, will be deposited and will get spent on local population and area development, the draft bill has proposed.

Apart from compensating the displaced people through profit-sharing and royalty, the draft bill also says that the mining firms will have to bear a combined cess up to 12.5% on the royalty paid to states and the Centre, as per the new mining bill.

This includes 10% cess to state governments on the royalty payment, while 2.5% levy will be charged by the Centre as cess.

However, industry chambers like Ficci and Assocham are opposed the draft bill, saying that it would make India most-taxable country for the miners.

Seeking a revision of the draft proposals, Ficci in its representation to the Prime Minister had said that new proposals would lead to such a situation, where total payable tax on coal would be at over 61%, making the industry unattractive.

It has also projected that taxes on iron ore mining would be around 55%, while for bauxite, it would zoom to 110%.

http://www.smartinvestor.in/market/Econnews-87477-Econnewsdet-New_Mines_Bill_to_be_tabled_in_Parliament_in_winter_session.htm

Hydroelectric Power

After five years, NTPC finally gets deal for Lanka project

TNN Sep 7, 2011, 04.24am IST

NEW DELHI: India's first thermal power plant abroad finally looks set to become a reality. After five years of stop-go negotiations, state-run generation utility NTPC and Ceylon Electricity Board have sealed a deal for jointly setting up a coal-fired power plant in Sri Lanka at an investment of up to \$700 million at current prices.

NTPC chairman Arup Roy Choudhury and CEB chief Wimaladharm Abeywickreme signed the final agreement in Colombo on Tuesday for setting up the 500 mw power plant at Sampur in Trincomalee. "The project will be a major milestone in bilateral relations and further cement the economic bonds between the two countries. It will also mark NTPC's overseas debut," Choudhury told TOI from Colombo.

Choudhury said the financial closure will be achieved within a year. India has extended a \$200 million line of soft credit. CEB will use part of this money for constructing the jetty for bringing coal for the project and laying transmission lines. NTPC and CEB will build the project through an equal joint venture. The plant will be run on build-own-operate basis. This will be Sri Lanka's biggest power plant.

http://articles.timesofindia.indiatimes.com/2011-09-07/delhi/30122369_1_ceylon-electricity-board-sampur-ceb

Athirappilly Project to remain a pipe dream Express News Service, The New Indian Express

Kerala | Updated Sep 08, 2011 at 12:01pm IST

KOCHI/THRISSUR: In a setback to the proposed Athirappilly hydro-electric project, the Western Ghats Ecology Expert Panel (WGEEP), led by environmentalist Madhav Gadgil, on Tuesday recommended to the Union Ministry of Environment and Forests against granting permission to carry out any construction activities at the sensitive Athirappilly-Vazhachal region.

The panel, which submitted its report to Union Environment Minister Jayanti Natarajan in the Capital on Tuesday, named Athirappilly as one of the 18 eco-sensitive localities (ESL) in the state.

“Based on the studies we identified 18 ESLs across Kerala. These are categorised as various zones according to its sensitivity. Athirappilly falls in the first zone, where no construction and similar activities are allowed,” former Environment Board chairman, V S Vijayan, who is a member of the panel, said.

The first part of WGEEP report was submitted to the Ministry on August 31. The report was prepared in a three-tier method. The first tier recommends declaring the entire Western Ghats as an ecologically sensitive area.

The second tier pointed out that the entire Western Ghats spread across Gujarat, Goa, Maharashtra, Karnataka, Tamil Nadu and Kerala should be divided as ecologically sensitive zones - ESZ 1, ESZ 2 and ESZ 3.

The areas that fall under ESZ1 should be protected as national parks and bird sanctuaries.

The third tier said about ecologically sensitive localities and 18 such localities were identified in Kerala.

The panel has put forward sectoral guidelines on the do's and don'ts in three zones. The report recommends that genetically modified crops should not be allowed in Western Ghats.

Plastic and polythene covers in Western Ghats should be removed within three years. Pesticides and fertilisers should be phased out within 10 years.

<http://ibnlive.in.com/news/athirappilly-project-to-remain-a-pipe-dream/182085-60-116.html>

Coal, Lignite and Thermal Power

Coal India bid to develop old mines delayed

Debjoy Sengupta, ET Bureau Sep 5, 2011, 03.42 am IST

KOLKATA: Coal India is considering switching to a global open-tender mode for developing its abandoned mines, a development that could inordinately delay the project.

CIL was hoping to float these joint ventures by the middle of 2010.

The world's largest coal miner is seeking to develop some 18 old mines with a total reserve of 1.6 billion tonnes of high-quality coking and thermal coal under joint venture arrangements with global underground mining companies. It had sought preliminary expressions of interest and had short-listed 10 companies.

But since CIL drew no response from them in the first round of tendering, it was forced to relax some conditions in the second phase, which is now under way. However, if this round also fails, the company may go for open global tendering, a process under which anybody can bid and there will not be any preliminary short-listing.

http://articles.economictimes.indiatimes.com/2011-09-05/news/30115885_1_mining-and-sunflag-iron-essar-mineral-reserves-bharat-coking-coal

R-Power wears coal miner's hat to boost its power business

Katya Naidu / Mumbai September 12, 2011, 1:23 IST

Sasan ultra mega power project to get coal by December 2012, even before plant is commissioned.

Anil Ambani's flagship power company does not want to stop at just being a leading power generator. It is aspiring to emerge as a leading coal miner as well.

At a time when fuel linkage has been crippling growth plans for most of its peers, Reliance Power (R-Power) may soon rub shoulders with top coal producers of the world.

To secure raw materials for its 4,000-megawatt (Mw) ultra mega power project (UMPP) in Sasan, Madhya Pradesh, it has intensified development work at the captive Moher & Moher Amlohri coal mines in order to begin operations by December 2012, so that the fuel linkage is in place ahead of the commissioning of the first 660-Mw unit in Sasan, scheduled for January 2013.

These two mines alone have a coal reserve of 600 million tonnes (mt). R-Power plans to extract 20 mt of coal annually for the next three decades. Additionally, Sasan also has the Chhatrasal mine, which has a reserve of 150 mt. But its mine development plans are not yet finalised. These three mines are enough to fire 8,000 Mw of thermal power, and will even support the 4,000-Mw Chitrangi Project, in addition to Sasan. Both plants will be in Madhya Pradesh.

Moreover, R-Power has three captive mines in Jharkhand with a combined reserve of 1.3 billion tonnes for its Tilaiya UMPP. To support the coastal UMPP project at Krishnapatnam,

Andhra Pradesh, it also has three mines in Sumatra, Indonesia with an estimated reserve of two billion tonnes. Put together, this makes R-Power's coal portfolio the largest amongst all its private sector peers.

The fuel linkage becomes significant as most other private power projects like Tata Power's Mundra (Gujarat) and JSW Energy's Ratnagiri (Maharashtra), along with R-Power's Krishnapatnam, are now bearing the brunt of a volatile international coal situation. Global coal prices, which have gone up by 40-50 per cent in the last one year, can affect the viability of these projects. Projects like Lanco's Amarkantak and Sterlite Power's Orissa projects that rely upon domestic coal from state-run Coal India are also seeing cost escalation and supply disruption.

But with Sasan coming on stream first, there has been a steady progress in mining infrastructure works at the Moher & Moher Amlohri site. According to company officials, the erection yard is ready for commissioning of draglines, shovels, dumpers and other equipment. The equipment orders are also getting delivered on ground. The first batch of three electric shovels has already reached the mine site and is currently being erected. These shovels are scheduled to start operation by the end of this year. Three more are en route. The first batch of dump trucks and drills has been shipped from Houston, US, and the first batch of four dozers has reached the Kolkata port from Japan.

Many of these large equipment supplied by Bucyrus of US, now part of Caterpillar, Atlas Copco, US, and Komatsu of Japan will be used for the first time in India, to improve the productivity from the mines. "Sasan coal mines are being developed on a par with International norms of productivity. We have ensured the best combination of globally experienced team and state-of-the-art equipment are in place for our mines," said R-Power CEO J P Chalasani.

The imports of these equipment have been bankrolled by US Exim Bank, which has agreed to sanction \$917 million just to support the import of mining equipment from US vendors.

The 100-member mining manpower is headed by Australian industry veteran Russell Taylor. R-Power has also roped in North American Coal Corporation, the largest brown coal mining company of the US, to develop the mine plan.

These developments are happening alongside the phased construction of the Sasan power plant. Four 660-Mw boiler and turbine units from China's Shanghai Electric have already been delivered to the site.

<http://www.business-standard.com/india/news/r-power-wears-coal-miners-hat-to-boost-its-power-business/448838/>

Westech truck hauls 447 tons of coal, sets Guinness World Record



A truck with Westech's Flow Control Body holds 447 tons of coal at Peabody Energy's North Antelope Rochelle coal mine, north of Douglas, Wyo. Guinness World Records recently awarded the body's manufacturer, Mills-based Westech, a certificate for its custom-built unit designed for a Wyoming mine.

<http://photoblog.msnbc.msn.com/news/2011/09/06/7635838-westech-truck-hauls-447-tons-of-coal-sets-guinness-world-record>

New study says solar competitive with coal by 2013 in some countries

Frik Els | September 7, 2011

Based on a study looking at five major solar markets – Germany, Italy, France, Spain and Britain – the Brussels-based European Photovoltaic Industry Association, the biggest of its kind, said competitiveness with conventional forms of energy such as coal could be reached by 2020, but in certain markets it could take just two or three years.

The report notes the output of producers more than doubled in 2010, reaching a world-wide production volume of 23.5 gigawatts of photovoltaic modules. This is a more than 500-fold growth since 1990 and the pace of growth is not expected to slow. Predictions are for investments in PV technology to double from €35-40 billion in 2010 to over €70 billion in 2015. Governments have also been cutting back on subsidies for the industry to ensure a speedier reduction in costs.

Reuters quotes the EPIA report: "The cost of PV electricity generation in Europe could decrease from a range of 0.16-0.35 euros (\$0.23-0.50) per kilowatt hour (kWh) in 2010 to a range of 0.08-0.18 euros per kWh in 2020 depending on system size and irradiance level." This compares, for instance, with generation costs of about 0.9 euros for coal in Germany in

2010, according to data from the Organisation of Economic Co-operation and Development (OECD).

The New York Times reported last week the bankruptcies of three American solar power companies in the last month, including Solyndra of California, the recipient of more than \$500 million in government help, have left China's industry with a dominant sales position — almost three-fifths of the world's production capacity — and rapidly declining costs.

<http://www.mining.com/2011/09/07/new-study-says-solar-competitive-with-coal-by-2013-in-some-countries/>

Mozambique: the birth of a new coal exporter

Monday, 05 September 2011 00:00

The African continent has historically meant just one thing to the global coal mining industry: South Africa. However, a new coal power is emerging in the form of Mozambique.

Many investors describe the country as the world's last big undeveloped coal province, but the big challenge is transporting the coal to overseas customers.

Planned investments suggest coal exports on a scale similar, if not larger, than South Africa.

Until recently, Mozambican coal production was limited to a few thousand tons of coal a year, sold locally or exported to neighboring states.

However, about 140 exploration licenses have been issued in the country over the past decade, with the vast majority located in Tete Province in the far northwest of the country.

Tete is separated from the rest of northern Mozambique by southern Malawi. A succession of huge discoveries has been made.

Of the reserves uncovered to date, thermal coal accounts for roughly 25-30% and metallurgical coal 70-75%.

Two huge projects are at an advanced stage of development in Tete's Moatize Basin and a dozen others are set to follow.

Brazilian giant Vale is investing \$1.7 billion in its Moatize project, where output is expected to reach 11 million mt/year by end-2013, comprising 8.5 million mt/year metallurgical coal and 2.5 million mt/year thermal.

The company has forecast that this could increase to as much as 26 million mt/year when Moatize II is developed.

Vale is already constructing a coal handling and preparation plant with processing capacity of 26 million mt/year to serve both phases, so it seems confident that it will proceed with the second phase.

First coal from the Moatize mine arrived at the port of Beira by rail August 8 and the first shipment was due to leave the port by end-August.

The scale of Australian firm Riversdale Mining's discoveries on its acreage in Tete Province prompted its acquisition by Rio Tinto on August 1 for \$4 billion.

First coal from the company's Benga project is due at end-2011 and production is scheduled to reach 5.1 million mt/year by 2013: two-thirds of this will be metallurgical coal and one third thermal.

Riversdale holds a 65% stake in the venture and Tata Steel of India the remaining 35%.

The Australian company holds a further 21 coal exploration licenses in Tete, including one that contains the Zambeze project.

Riversdale increased its reserves estimate on Zambeze last year to 9 billion mt, ahead of Benga's 4.5 billion mt and now estimates that it can produce 20 million mt/year combined on the two ventures.

Vale will use some of its coal to supply its own 300 MW power plant, which will provide electricity to the national grid as well as to Vale's mining operations.

In addition, Riversdale had planned to construct a 500 MW coal-fired generation plant, to be increased to 1 GW at a later date, again for both dedicated and general use. Rio Tinto has yet to confirm whether it will continue with this side of the project.

However, the vast majority of Mozambican coal output will be exported and the most likely markets are India and China.

The latter is changing from coal exporter to net importer, while even the limited liberalization of the Indian coal sector has prompted massive Indian investment in Mozambican coal prospects to secure feedstock for its domestic industries.

China's net coal imports increased 29% last year, with the focus on Mozambique's strength: coking coal. Chinese annual demand for coking coal stood at 540 million mt in 2010, but domestic production reached just 380 million mt.

Given China and India's rapidly growing demand for steel, their coking coal requirements are expected to continue to exceed their domestic output by an increasingly wide margin.

Transport logistics

Mozambique comprises a long slither of territory on the southeast coast of Africa, with nowhere very far from the sea.

However, the lack of infrastructure in the northern two-thirds of the country provides huge challenges to the mining industry.

Most of the country saw very little development during almost 500 years of Portuguese colonial rule, while the civil war that raged from independence in 1974 until 1992 resulted in the widespread devastation of most of the limited infrastructure that did exist.

Surveys undertaken in northern Mozambique as late as the 1990s found that people in some areas did not even realize they lived in Mozambique.

Over the past two decades, the country has enjoyed stable government and has experienced average economic growth of 8.5%, albeit from a very low base.

The government in Maputo and the international donor community have prioritized the redevelopment of the colonial era railway network and the country's ports as a means of spreading the economic recovery beyond Maputo and its immediate environs.

As in much of Africa, colonial era railway lines were developed to export agricultural and mineral commodities to the metropolitan power and tended to run directly from inland provinces to the nearest available coastal port.

As a result, Mozambican railways run west to east to Indian Ocean ports, but are not connected to each other. (See related map: Mozambique coal and power).

Under World Bank direction, the nation's main ports and railways are now operated under concession by foreign consortia, sometimes including state-owned transport utility *Portos e Caminhos de Ferro de Mocambique*.

Mozambique already has one coal export facility, Matola Coal Terminal, but this is located in the far south of the country and is designed to handle South African rather than domestic coal exports.

Two other, more conveniently located ports have been earmarked to handle the huge volumes of coal that will be mined in Tete: Beira and Nacala.

Both are currently rather small ports with limited cargo handling capacity, but they will be expected to handle huge volumes of coal exports in the near future.

Beira is located in Sofala Province to the south of Tete Province and is connected to the Moatize Basin by the Sena railway.

Berth 8 at Beira is being prepared to handle up to 6 million mt/year of coal, but a dedicated coal terminal is to be developed to serve both Vale and Riversdale.

Government and CFM officials have provided varying estimates on the handling capacity of the planned terminal ranging from 12 million mt/year to 24 million mt/year, but the precise details remain to be determined.

A CFM spokesperson announced in August that a consultant was being sought to secure funding for the project, which will probably be developed and operated by a combined consortium of foreign investors and CFM.

Work on dredging Beira harbor was completed in July, allowing coal carrying vessels of up to 60,000 mt dwt to use the port.

Further work is likely to be carried out by a dedicated dredger to enable larger coal ships to enter the harbor.

In July, the Danish International Development Agency agreed to provide €40 million (\$57.9 million) to enable the purchase of the vessel.

Source: Platts

http://www.hellenicshippingnews.com/index.php?option=com_content&view=article&id=44968:mozambique-the-birth-of-a-new-coal-exporter-&catid=17:freight-news&Itemid=79

Iron Ore, Iron and Steel

RINL VSP unions appeal for stopping share sale

- 10 Sep 2011

Launching their joint campaign against disinvestment, all the trade unions of Visakhapatnam Steel Plant appealed to the UPA II to refrain from selling the equity of Rashtriya Ispat Nigam Limited.

The unions, in representations signed by all their leaders, appealed to union ministers Mr Beni Prasad Varma (Steel), Mr V Kishore Chandra Deo (Tribal Welfare) and Mr D Purandeswari (HRD) to stop divesting 10% of the government's shares.

The bids received from the merchant bankers will be opened by the Department of Disinvestment for evaluation on September 8. Their presentations will be examined by the Inter-Ministerial Group. RINL is the corporate entity of VSP.

The representations signed by CITU, AITUC, INTUC, TNTUC, BMS, HMS, and some independent unions stated that a high-power committee had been set up to pursue and speed up the disinvestment process.

Strongly opposing the move, they said the Centre had revived the proposal under the ground that the Navratna status was conferred with the clause that it would be listed within two years.

They criticized the Centre for not considering the VSP's demand for allotment of captive mines and described how the plant could expand its capacity to 6.3 million tonne without seeking financial help from the Centre. Around INR 10,000 crore has been spent on expansion works so far without help from Centre.

(Sourced from hindu.com)

Bauxite, Alumina and Aluminium

Battle for bigger share of the white metal

Kunal Bose / September 06, 2011, 0:48 IST

Aluminium industry officials agree this country's requirements of the white metal will continue to rise annually at a pace much higher than our growth in gross domestic product (GDP). The government is targeting an annual GDP expansion of nine per cent during the 12th Plan, beginning April 2012. B L Bagra, chairman of the largely government-owned National Aluminium Company (Nalco), finds the environment conducive enough to say the coming many years will see Indian aluminium demand growing at 13-15 per cent a year. No doubt, the major part of demand will come from the electrical sector, as has always been the case with us. At the same time, more of the metal is finding application in construction, transport and packaging, thanks to growing sophistication of the economy and the spread of urbanisation.

The demand surge for aluminium, a lot stronger than for steel in recent years, falls in a global pattern. Stock broking firm Sushil Finance says, "Economies see a strong metal use growth once their per capita GDP on a purchasing power parity basis reaches \$3,000." More recently, this started happening in China when its per capita GDP on a PPP basis reached \$3,195 in 2004. India crossed that magic figure last year. This and the government decision to spend \$1 trillion (Rs 45 lakh crore) on infrastructure development during the 12th Plan period will vindicate Bagra's demand forecast. Consultancy firm McKinsey & Co has pegged Indian aluminium demand grow that a more modest 9-11 per cent yearly up to 2015. The Indian per capita use being only 1.3 kg against the world average of 7.4 kg and China's 12 kg shows major growth possibilities of the metal here, as it throws challenges to the local industry to promote new aluminium application.

ATTRACTION

Aluminium use on a large scale is recommended for its durability, light weight, easy maintenance and hygienic properties. For architects, aluminium is fast becoming the design staple for contemporary buildings for all these reasons, as also for its aesthetic appeal. It is interesting how some post-modern sculpture made of aluminium and on a mammoth scale is inspiring our architects to use the metal to give shape to their more creative designs for buildings and their immediate surroundings. "We look up to Anish Kapoor who has used layers and layers of aluminium for his seminal work, Mountain. Similarly, we have

discovered a new range of possibilities of aluminium use in the works of Anselm Kiefer,” say Kolkata-based architects Sanjay Mandal and Anirban Bhaduri, who work as a team.

As aluminium has caught the fancy of local architects and builders, the construction industry will increasingly claim a bigger share of white metal use. Hindalco, which in the next few years will lift its aluminium smelting capacity three-fold to 1.8 million tonnes (mt) and alumina refining capacity four-fold to six mt annually, says the global demand drivers will be the can sheet and automotive and construction sectors. Globally, the automotive industry is the single largest user of aluminium, accounting for a quarter of the total metal consumption. The next decade is likely to see a doubling in aluminium’s application on autos.

EXPECTATIONS

As in so many other areas, India has a lot of catching up to do in automobiles. What augurs well for local aluminium demand rise is the arrival here of most leading car manufacturers and the growing number of Indians ready to pay the extra price for cars using aluminium components. We have seen how collaboration between Novelis, acquired by Hindalco in 2007, and German car maker Audi led to the development of the AS250 sheet, incorporating multi-layer aluminium technology. The product, used extensively in the redesigned Audi 8, has come to be known as ‘new aluminium’, for it offers performance benefits not to be had from conventional aluminium. Here, Nalco, in partnership with BEML, has developed prototypes of aluminium wagons and coaches, which the railways hopefully will start using at some stage.

In the meantime, Hindalco is to complete the transfer of a can body stock hotline plant from Rogerstone in Britain to Hirakud in Orissa, in a “modernised, upgraded and expanded” form by this year-end. The provocation obviously is the impending growth in demand for can stock, used in the making of beverage cans.

In fact, well ahead of the relocation of the Rogerstone mill, Rexam of the UK and Can-Pack of Poland have started making cans in their state-of-the-art factories in Maharashtra. Once Hindalco starts making can stock at Hirakud, self-reliance in a high value-added flat product will be achieved, with surplus for export. The two foreign can makers have built enough capacity to market cans within the country and also export.

The Hirakud can stock unit is a statement of successful integration of the businesses of Hindalco and Novelis in technology, fixed assets and brand equity. There will certainly be many more opportune moments for Hindalco to introduce here other Novelis flat-rolled product technologies.

<http://www.business-standard.com/india/news/battle-for-bigger-share-the-white-metal/448165/>

Rusal sees aluminium demand staying firm

Thu Sep 8, 2011 3:21pm GMT

PARIS, Sept 8 (Reuters) - The world's top aluminium producer UC Rusal expects global demand for the metal to stay robust despite economic worries in the West, a senior executive said on Thursday.

The group see worldwide demand growing by 10 percent in both 2011 and 2012, Vladislav Soloviev, Rusal's first deputy CEO, said.

"Demand is continuously strong, I don't see any softening in demand," he told Reuters on the sidelines of the Metal Bulletin aluminium conference in Paris.

Demand from the automotive sector continued to drive the aluminium sector. Construction was in difficulty due to declining new home sales but some of this demand would be recovered in home refurbishments, he said.

Geographically, China should again outpace global aluminium demand next year, he said.

Fears about the economy were gripping investors currently but weakness in the United States should lead to more liquidity being injected by the U.S. Federal Reserve, which would in turn boost commodity demand and prices, he said.

"The problem is that investors are scared," he said.

Demand from physical consumers and financial investors along with rising production costs should underpin aluminium prices in the coming months, he said.

Benchmark aluminium on the London Metal Exchange should reach \$2,500-\$2,600 a tonne by the end of this year, he said, arguing a floor had been reached at \$2,300 last month.

"Maybe in 2012 we can reach \$3,000, let's see how the economy changes."

LME aluminium was \$2,403 per tonne at 1448 GMT, from \$2,404 at the close on Wednesday. (Reporting by Gus Trompiz; editing by Susan Thomas)

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<http://af.reuters.com/article/metalsNews/idAFL5E7K82XZ20110908>

China To Be Net Aluminum Importer - Rio Tinto Alcan CEO

By Andrea Hotter

Published September 08, 2011 | Dow Jones Newswires

PARIS -(Dow Jones)- China will eventually become a net importer of aluminum but the timing of this shift is uncertain, the chief executive of Rio Tinto Alcan said Thursday.

"It may take some time, but we believe China will eventually turn into a net importer of aluminum, as it has for bauxite and for alumina," Jacynthe Cote said. "The question is when," she told a Metal Bulletin conference in Paris.

Cote said China won't become a destabilizing market force as a significant net exporter of aluminum, and noted cost pressures in China due to rising energy prices, and increased power tariffs for industrial users in 15 Chinese provinces.

"Though we have not yet seen large impacts (from these energy costs), we are watching the situation closely," she said. "Growth will continue in the northwest part of the country, but the coastal and central provinces will face significant power price pressure in addition to concerns about bauxite and alumina availability," she added.

China is the world's largest producer and consumer of aluminum.

<http://www.foxbusiness.com/industries/2011/09/08/china-to-be-net-aluminum-importer-rio-tinto-alcan-ceo/>

DUBAL, EMAL to raise profile at global forum

(Wam)

6 September 2011

DUBAI — The 26th International Aluminium Conference, organised and hosted by Metal Bulletin in Paris from September 7 to 9, will be leveraged by Dubai Aluminium Company Limited (DUBAL) and Emirates Aluminium Company Limited (EMAL) to promote the UAE's primary aluminium sector within the global industry.

This will be achieved on several fronts in addition to a combined stand in the exhibition component alongside the conference, the two companies are the joint Platinum Sponsors of the overall event, the MBI 2011 registration desk and luncheon on September 8, the first day of the conference.

Mohamed E. Nagib, Executive Vice-President for Operations at DUBAL and Lead Director at EMAL, will serve on the executive industry panel discussion which will constitute the first session of the conference. Focusing on industry-related issues at the highest level, the panellists will address matters such as the impact of the current global economic trends, geopolitical events, technological developments, market growth opportunities and challenges on the present and future operating scenarios.

Touted as the premiere international forum for understanding industry dynamics and uncovering market potential, the annual MBI events attract over 500 key industry decision-

makers from around the world, thus offering excellent opportunities for networking and deal-making. Aiming to maximise the exposure offered by the forum, the joint DUBAL-EMAL exhibition stand will highlight the 1.8 million tonnes of premium-class primary aluminium produced in the UAE each year, of which at least 90 per cent is shipped to approximately 50 countries on six continents across the globe.

DUBAL owns and operates a one million metric tonne per annum primary aluminium smelter at Jebel Ali, Dubai one of the largest single-site operations of its kind in the world and in 2010 produced 1,002,414 metric tonnes of hot metal. The company is renowned internationally for its premium purity, high quality products and services.

A green-field development, EMAL is being built in two phases at Al Taweelah in Abu Dhabi, and is owned jointly by DUBAL and Mubadala Development Company (in equal shareholding). EMAL already enjoys a strong reputation for sound safety management, well-being programmes for its employees and adopting global best practices.

http://www.khaleejtimes.com/DisplayArticle.asp?xfile=data/business/2011/September/business_September72.xml§ion=business&col=

Banks still winners in aluminium warehouse play

By Melanie Burton and Susan Thomas

LONDON | Wed Sep 7, 2011 12:00pm BST

LONDON (Reuters) - Low interest rates and a global economy on the edge of another recession mean the bank financing deals that have locked up most aluminium stocks in warehouses will remain intact and inflate premiums for already struggling consumers.

For financiers of metal such as banks and trading houses, aluminium has proved to be a relatively risk-free investment and a hedge against another global recession.

"If a recession does come along, then that reduces demand for metal, but guess what, more metal will be stored, and the banks will earn more for storage fees," analyst Robin Bhar of Credit Agricole said .

Financing deals, many forged in the aftermath of the credit crunch in late 2008, have tied up stocks in long-term rent agreements, where set storage and financing costs fall well below the rising market price of the metals.

The deals are lucrative as long as interest rates remain low and metal plentiful.

In January, when there were signs that the world was emerging from recession, analysts speculated that interest rates would rise and the deals would start unwinding as banks chased higher yielding opportunities. But the global economic outlook has since turned very murky.

The U.S. Federal Reserve last month signalled that it is willing to hold borrowing costs at or near zero until at least mid-2013 to shore up its struggling economy, burnishing the allure of industrial metals as a tool for profit.

"I still think we're going to see the same as we've been seeing for the past four or five years," Standard Chartered's global head of metals Jeremy East said.

"Producers are delivering into the market, there's probably not enough physical offtake for that flow and so the amount of metal that's sitting in the warehouses will increase and will be financed," East said.

DOUBLE WIN

For the large banks and trading houses that have bought warehouses, the boon is twofold as they streamline costs and also accrue rent to store metals.

Diversifying into warehousing in the economic downturn makes sense, because the industry typically performs well in a recession, when there is less need for metal but money can be made from payments for their storage.

Last week, Barclays Capital bought a stake in a metals warehouse, following Goldman Sachs (GS.N), JP Morgan (JPM.N) and Glencore (GLEN.L) into the lucrative business.

"The whole environment for financing deals is better again," a physical LME trader said.

"The contango's very steep and the interest rates are very low and there is a lot of cheap money floating around, looking for investments of a good quality. That is very very supportive of the premiums," he added.

The contango -- or discount for cash aluminium against the benchmark three-months -- last week hit its widest since December 2008.

Many of these deals are backed by LME warrants, or documents of title to a specific parcel of metal in a set location which can act as collateral to cheapen funding costs.

The LME's delivery system of a relatively small minimum delivery out rate has created bottlenecks to get metal, resulting in long queues of more than four months in some locations like Detroit.

Because holders of metal must pay rental costs, the long queues translate into guaranteed profits for warehouse owners.

"It's an earner, but it's not going to buy you a chalet. It's a pretty low yielding trade but the alternative is cash at zero," said a senior source at a large bank that also owns a warehouse.

But for every winner, there must be a loser and down the supply chain these lofty costs erode margins for the beverage can manufacture and construction industries that are suffering from a slump in demand.

The trend is providing a floor for aluminium prices with around three-quarters of LME stock thought to be locked away, and inflating physical premiums -- the price paid to take delivery of the physical metal -- targeting records next year.

"Even though the market might be in surplus, that metal isn't going to be reaching consumers - it's going to be reaching another consumer: the warehouse," Credit Agricole's Bhar said.

"If you can keep (aluminium tonnage) away from the market by locking it up, then effectively it starves the market of those units as needed, underpinning premiums and prices," he added.

Premiums for duty-unpaid aluminium in Rotterdam are perched around \$130-140 over LME cash prices, traders said, close to record levels printed in June last year when they reached the lofty heights of \$160.

Traders said that with supply constricted due to the financing deals and bottlenecks in some warehouse locations like Detroit, any improvement in the economic outlook could send premiums to new record levels.

So far, the impact of record physical premiums of consumers has been muted given most secured their 2011 needs late in 2010, traders said.

And given the uncertain economic climate, consumers will be reluctant to book their usual 70 percent of 2012 needs as contract negotiations begin this month, traders said.

But what is for sure is that metals consumers will now have to scrum with warehouse -- who offer incentives -- for metal.

"If I was a major buyer, like a VW or a Coca-Cola, I would be pretty miffed," Bhar said. "Ok, prices may not have astronomically increased, but they haven't gone down which they should have done in a market that's physically oversupplied."

"And if we didn't have these financing deals, prices would arguably be a lot lower than where they are today, even without a recession."

<http://www.reuters.com/article/2011/09/07/uk-aluminium-warehouses-idUKLNE78604B20110907>

Alcoa Looks to the Sky to Cut its Mine's Energy Footprint

By Charles Redell

Published September 14, 2011

Sometimes environmental wins can be found in unlikely places. And when you're a mining company, looking up in the sky is about as unlikely as it gets.

Jamalco Operations, a mining subsidiary majority-owned by Alcoa, looked up to dig out a big win in Jamaica. Jamalco, which mines bauxite and processes it into alumina, announced that it has hauled 10 million tons of bauxite in two years using a unique, sustainable transport system.

The Rope Conveyor, or RopeCon, system (pictured above and at the bottom of this article) at the Mount Oliphant Mine is an AC motor-powered cable conveyor system just over two miles long, running between the mine and a rail station at the base of the 843-foot Mount Oliphant.

Alcoa said it has saved about \$1.5 million in operating costs since the system launched in 2007, through the following green features:

- Once the system is loaded at the top and begins its descent, its drive uses regenerative, constant braking to generate 1,200 kW per hour to power the mine and feed excess electricity fed back into Jamaica's grid. That's the equivalent of avoiding of the CO2 emissions from using 93 gallons of gasoline.
- It operates above ground, which reduces the system's physical footprint.
- Using the RopeCon system means Jamalco avoids 1,200 truck trips and the associated dust, noise and carbon emissions each day.

Jamalco's RopeCon system is just one of many sustainability projects its parent company has put in place in recent years to help it meet its sustainability goals -- some of which goals it achieved much earlier than it expected.

Earlier this year the company said it reduced its carbon intensity by 22 percent below 2005 levels, better than the 20 percent reduction it hoped to achieve by 2020. It also cut water-use intensity by 19 percent, well above its 10 percent goal.

While Alcoa is considering whether to re-calibrate its sustainability goals, it is still aiming to reduce greenhouse gas emissions by 30 percent by 2030. The company is also a member of a consortium working to develop the Global Reporting Initiative's G4 framework, due out in 2013. One of Alcoa's goals for the new environmental reporting framework is to have it include lifecycle assessment data of company products and services.

Jamalco, of which Alcoa owns 55 percent in partnership with the Jamaican government, has its own sustainability goals. According to its 2009 Sustainability Report [PDF], compared to 2008 operations:

- It reduced by 14 percent the amount of oil used to produce a ton of alumina -- the raw material needed to make aluminum, Alcoa's main product.
- It also reduced greenhouse gas emissions by 12 percent in 2009 over 2008 levels, although it increased production to more than 1.4 million metric tons of alumina.
- Sulphur dioxide emissions dropped slightly while emissions of nitrogen oxide and volatile organic compounds remained steady as production increased.
- The amount of waste Jamalco sent to landfill fell by almost 2 million metric tonnes.

<http://www.greenbiz.com/news/2011/09/14/alcoa-looks-sky-cut-mines-energy-footprint>

Limestone and Cement

Nirma asked to prove, its cement plant in Gujarat is on wasteland

Press Trust of India, September 9, 2011, (New Delhi)

The Supreme Court today made it clear that Nirma Industries has to scrap its cement plant in Gujarat's Bhavnagar district if it fails to prove that the project does not fall in eco-sensitive wetlands.

A bench headed by Chief Justice S H Kapadia, after going through the expert committee's report on the project, said the clearance to the plant was given on the wrong ground that it was a wasteland.

"Please show that it is a wasteland or it (cement plant) is gone," the bench said while asking the company to file its response on the report.

The expert committee's report said it was not a wasteland, as claimed by Gujarat government, while giving nod for the plant in 268 hectare in 2008.

The report was placed before the court by the Ministry of Environment and Forest (MoEF), which also filed an affidavit supporting the findings of the expert committee.

The Committee, which was headed by C R Babu, Professor Emeritus and former Pro-Vice Chancellor of Delhi University, has recommended relocation of the plant saying it would "bring changes in the ecology of the water body".

It said any location of such a polluting cement factory, based on coal thermal power plant and coke oven plant, would generate emissions and effluents that would damage the ecology and lead to reduction of crops in the area.

"The location of the industrial complex would adversely impact the ecosystem services. The lime stone mining in 3,460 hectares, the bulk of which is a crop area, will lead to creation of

dumps which may result in reduction in the catchment area and possible salinity ingress," the report said.

It said the area is agriculturally very important as it produces 6 per cent of total onions in India.

The committee further said that there were Mahuva Taluka harbours Asiatic lions which were spotted in and around the water-body area.

"In fact, there is a reserve forest within 10 km radius of the site. Two critically endangered vulture species and many other globally threatened bird species are seen around Bandhara," said the report which was accepted by the MoEF.

In conclusion, the report said, "The committee unanimously recommends that the site of the cement plant industrial complex of Nirma be relocated elsewhere outside Samadhiala Bandhara".

Earlier, the apex court had ordered a fresh environmental study of the area where chemicals maker Nirma is setting up the cement plant.

The bench had directed the Expert Appraisal Committee (EAC) of MoEF to study whether the plant was in the wetland area or water bodies.

The apex court had directed the committee to call for reports from a body of experts with five scientists who should visit the site.

Nirma had contended the company was working for the past three years on the project based on previous clearances and it has already invested Rs. 150 crore in the project and is committed to pumping in another Rs. 450 crore.

<http://profit.ndtv.com/news/show/nirma-asked-to-prove-its-cement-plant-in-gujarat-is-on-wasteland-176856>

Environment and Forests

Haryana: Now, security policy for whistle-blowers

Last Updated: Thursday, September 08, 2011, 16:08

Chandigarh: On the backfoot in the last four years over harassment to a whistle-blower from the Indian Forest Service (IFS), Sanjay Chaturvedi, the Haryana government on Thursday announced a policy for providing security to whistle blowers and Right to Information (RTI) activists.

A home department notification says that whistle-blowers and RTI activists could seek security in Haryana if they perceived a threat.

"With a view to eliminating corruption at all levels, the Haryana government has introduced a policy for providing security to whistle-blowers and Right to Information activists," an official spokesman said on Thursday.

However, not everyone is taking the new policy of the Haryana government on face value, given the fate of IFS officer Sanjay Chaturvedi.

A 2002-batch IFS officer from the Haryana cadre, Chaturvedi has been facing harassment from political bosses in Haryana, particularly during the tenure of the Bhupinder Singh Hooda government, for exposing mafia operating on forest land in the state.

The young officer has faced transfers, cases and suspension as he refused to bow to bosses, particularly former Haryana forest minister Kiran Chaudhary. His suspension was once revoked through a Presidential order in January 2008.

Chaturvedi had to fight for his innocence by taking the RTI route to prove that his suspension was illegal.

Even Chief Minister Hooda has refrained from taking action against his minister and senior forest officers who allegedly colluded with various mafias to plunder natural resources in the state.

The spokesman said that a whistle-blower or RTI activist who perceives a threat may submit an application to the police commissioner or district superintendent of police. "The authority concerned shall make an expeditious enquiry into the perception and call for an analysis from officers," according to the spokesman.

He added that if the applicant is found to have any specific or genuine threat, he shall be provided security immediately. "This process shall be completed as expeditiously as possible but should not take more than one week," the spokesman said.

The state government has said that a special cell shall be created for processing requests of security and monitoring the investigation of cases registered against the whistle-blower or RTI activists.

"Any misuse of security provided shall be viewed seriously and remedial action shall be taken forthwith, including recovery of cost and other appropriate action, as per law," the spokesman added.

IANNS

http://zeenews.india.com/news/haryana/haryana-now-security-policy-for-whistle-blowers_730513.html

Valuing the trees through the forest

Competing demands for food, fuels, and forests

Allison Crimmins

September 8, 2011

How do you value an ecosystem? Putting a dollar value on natural systems such as forests has long beset economists.

Forests provide “non-use values,” such as the pleasure of knowing that a natural system exists, and recreational values, such as hunting, fishing and wildlife viewing. But recently, ecologists have also sought to value a broader set of “ecosystem services,” or the goods and services that ecosystems provide to a market economy.

Ecosystem services related to land include conventional food and forest products, as well as the potential to produce biofuels. But ecosystems also have the ability to store carbon. If a price on carbon were established, an incentive to enhance carbon storage would be created. This new ecosystem service would need to be balanced against conventional food, forestry and biofuels production services. As the numbers of ecosystem services expand and are fully priced in a market, the demand for land naturally increases.

Researchers from the MIT Joint Program on the Science and Policy of Global Change have used an economic model to explicitly represent recreation value of ecosystems and their carbon storage value. The study examines how demand for ecosystem services will affect land use, food prices and the prospects for biofuels production.

Their study found that growth in demand for biofuels increases when a carbon tax is implemented, leading to increases in CO₂ emissions from the conversion of forests to cropland. However, if that carbon tax also includes emissions from land use change, the resulting economic incentive is enough to avoid deforestation. And, if a tradeable credit program to incentivize CO₂ sequestration on land is implemented, significant reforestation occurs, such that land use becomes a large net sink for CO₂.

This is a surprising result, as land use emissions currently make up about 20 percent of total emissions. But, with carbon taxes and a tradeable credit program, land use would mitigate emissions by storing carbon in forests and replacing fossil fuels with biofuels. In fact, the analysis shows that if carbon storage were credited, land conversion would eventually store as much as one third of the entire global energy emissions over the coming century.

Unfortunately, it's not that simple — such policies would imply some difficult tradeoffs. In the scenario with full carbon pricing, substantial reforestation and biofuels production occurs, but at the expense of conventional agricultural products. The two new non-food demands for land cause commodity prices to increase, especially impacting livestock prices. The livestock sector is particularly affected because both the rental prices for grazing land

and the price of grains used to feed livestock rise. As food prices rise, poor consumers will be considerably affected and may suffer.

“Since conventional agricultural goods are priced in markets, the higher [food] prices projected are efficient in the sense that they reflect the marginal value of storing carbon that would be lost if more land were devoted to food production,” explains John Reilly, co-director of the MIT Joint Program and co-author of the study. He adds, “However, the market values do not take into account equity considerations, and so in the absence of food programs worldwide such higher prices would place a disproportionate burden on lower income people.”

Some of the resulting increase in food prices may be offset by future agricultural technology. But even with such technologies, increasing food prices would still be a substantial departure from the historical trend of falling food prices. As new demands for land stem from an expanded view of ecosystem services, special attention will be needed to counteract the impacts on development and food security.

“It is a dilemma where climate change itself may have negative consequences for food production but extensive reforestation to limit climate change may also squeeze food production by limiting the land available for conventional agriculture.

Thrown on top is a demand for land for biofuels production that could put further pressure on food prices,” Reilly says. “The results are a cautionary tale in embracing efficient market solutions in a world where there are not ready mechanisms to deal with inequitable outcomes.”

<http://web.mit.edu/newsoffice/2011/valuing-forests.html>

No Decrease in Land under Forest Cover

PIB, Gol, Ministry of Environment and Forests, 05-September, 2011 16:02 IST

The area under forests has not been decreasing every year due to urbanization and industrialization in different States of the country. Forests have not decreased due to urbanization and industrialization in various States of the country. There is a net increase of 728 sq. km forest cover in the country as per India State of Forest Report 2009. The details of forest cover in various States and UTs, as per State of Forest Report, 2009 is given in Annexure I.

The Ministry of Environment & Forests is implementing a Centrally Sponsored Scheme of National Afforestation Programme (NAP) for regeneration of degraded forests and adjoining areas in the country. The scheme is implemented through a decentralized mechanism of State Forest Development Agency (SFDA) at State level, Forest Development Agency (FDA) at Forest Division level and Joint Forest Management Committees (JFMCs) at village level. As on 31.03.2011, 800 FDA projects have been approved in 28 States in the country to treat an

area of 17.43 lakh ha. since inception of the scheme in 2002. The details of the area approved for afforestation during the last three years is given in Annexure II...

<http://pib.nic.in/newsite/erelease.aspx?relid=75515>

Details of State-Wise Funds Released for Afforestation

PIB, GOI, Ministry of Environment and Forests, 06-September, 2011 15:51 IST

Factsheet

Details of State-wise funds released for afforestation/tree planting during last three years (2008-09 to 2010-11) under National Afforestation Programme (NAP) Scheme...

<http://pib.nic.in/newsite/erelease.aspx?relid=75650>
