Indian Mining Exchange

News Bulletin, 29th August 2011

Now, Act on the Mining Bill

The Economic Times, August 25, 2011

Corporatisation, support for exploration and catalysing exports will fortify the mining sector

CHANDRAJIT BANERJEE

The new Mines and Minerals (Development and Regulation) Bill, or MMDR Bill, is slated to be introduced in Parliament shortly. The Supreme Court has recently ordered cessation of mining and transport of iron ore in Bellary, Karnataka, a key centre of iron ore mining. Given that mining has a cascading impact on downstream industries, it is critical that action is taken speedily to resolve hurdles in mining sector development. The mining sector contributes 2.4% to the country's GDP, a paltry proportion given that the country is blessed with abundant mineral resources. Globally, India ranks fourth in coal, chrome and kaolin, and fifth in iron ore reserves. Compared to other countries with similar resource profiles that have leveraged minerals to form the bedrock of their economies, India has not yet adequately explored its mining potential. The contribution of the sector can be raised to 8% of GDP, provided investment is facilitated and encouraged. A strong mining sector would involve attention to various aspects such as livelihood for displaced persons, safety for miners, use of best-in-class technology, sustainability and wise use of resources, and minimal impact on the environment. To begin with, illegal mining is unacceptable and must be eliminated completely. The Supreme Court's decision is to be welcomed for its muscular intent, and raises confidence among investors. The status of Bellary is special as it is a dominant producer of iron ore, contributing one-fifth of production in the country. About three lakh persons directly or indirectly derive livelihood from the districts mining activities, and one million depend on it for sustenance. Iron ore from Bellary accounts for more than 20 million tonnes of steel capacity, or one-fourth of the country's aggregate, involving an investment of.75,000 crore. Although the National Mining Development Corporation has subsequently been permitted to resume mining in the district, shortfall of iron ore and rising prices have hit the steel industry. Downstream sectors such as capital goods, automotive and engineering products, already reeling under deepening global uncertainties and deflating demand, are concomitantly affected. Overall loss to GDP may be as high as 0.6%, exacerbated by multiplier effect as well as costs of importing steel and loss of government revenue. At a time when India aspires to be the second-largest steel-producing nation by

2013, it can ill- afford the raw material restrictions. Mechanisms would need to be evolved to ensure steady iron ore availability for steel producers. It is important to distinguish between legitimate and illegal mining and take appropriate punitive action in keeping with the scale of the contravention in case of the latter. A case-by-case approach may be considered for this so that mining operations are not unduly disrupted. The Bellary issues are, however, symptomatic of larger issues in the mining sector. The key factor in development of the sector is its attractiveness for capital investment. Investment security, if compromised, impacts a number of industries that use minerals as inputs. Although mining is open for 100% foreign direct investment, overseas investors have displayed little interest in accessing the vast mineral wealth of the country. A number of factors are to be resolved to encourage greater fund inflow to the sector, including security of tenure, transferability of licences, transparency and stability of policies, etc.

The three links of the mining value chain exploration, mining and smelting require different approaches. The MMDR Act must be able to address all three effectively for optimum development of the sector. One, globally, it has been found that corporatisation of mining is the best route to meeting most objectives. Large-scale stand-alone mining companies are better able to manage technology adaptation, sustainability, supporting infrastructure, and environmental and community development. Two, policy must promote investments in exploration, which is a high risk activity with a long gestation period. Currently, exploration spending is low with the majority in coal, while many base minerals such as copper and nickel are being imported. A clear long-term royalty, tax and duty regime is required rather than ad-hoc and frequent changes. Three, export policy is a crucial aspect part of the overall mining policy. For example, in the steel industry, iron ore exports need to be carefully calibrated taking into account current and future domestic requirements. Finally, land acquisition remains a challenging issue. The new MMDR Act should be an enabling tool to allow the domestic mining sector to be the foundation of its economic growth and development.

(The author is Director General of the Confederation of Indian Industry)

COAL

Refrain from allotting coal blocks in dense forests: PSC

Published on Mon, Aug 22, 2011 at 21:20 | Source : PTI

Noting that various coal and lignite projects have not made headway for want of green nod, a Parliamentary panel has asked the government to refrain from recommending allotment of coal blocks falling in dense forests.

The Parliamentary Standing Committee on Coal and Steel in its report has not only recommended quick forest and environment clearances, but also informed the Environment

Ministry that due to lack of forest clearances the coal production has been affected, resulting in loss to the nation.

"The delay in obtaining environmental clearances had led to alarming situation. Due to non-availability of forest clearance in time ... coal companies were not in a position to provide coal at the expected level," the report said.

"The committee had been told that the cases of rejection of forestry clearance have already been discussed in the Cabinet Committee meeting and it has given some suggestions for working out any solution," the report said.

Earlier Coal India, which accounts for more than 80% of the domestic coal production, had said that inordinate delays in getting green clearances for mining proposals had stalled investment decisions on 67 new projects and also affected expansion work in its ongoing projects.

The delays were hurting the production of 200 million tonnes of coal per annum, the maharatna firm had said.

As per the stipulated procedure, forest clearances should be granted within 300 days. However, as per an assessment by the company, the process is taking as long as six years in some cases.

Apart from in-principle approval, which gets delayed by up to six years, final clearance takes an equally long time, the company had said.

Coal India's 168 projects are pending environment and forest clearances at the Centre and state levels.

A total of 114 projects of the public sector firm are awaiting Stage-I clearance (in-principle approval), of which 92 projects are waiting for the green signal at the state level, while the remaining await the nod from the Ministry of Environment and Forests.

As far as Stage-II clearance (final approval) is concerned, 54 proposals are stuck, including 31 at the state level.

http://www.moneycontrol.com/news/business/refrainallotting-coal-blocksdense-forests-psc_578865.html

Coal India to replace Reliance Capital stock in Nifty 50 from Oct 10

25 Aug, 2011, 10.11PM IST, PTI

MUMBAI: State-run Coal India will replace Anil Ambani Group firm Reliance Capital in the National Stock Exchange's Nifty index from October 10.

Earlier this month, Coal India had replaced another Anil Ambani Group firm RInfra from BSE's blue chip index Sensex.

http://economictimes.indiatimes.com/markets/stocks/stocks-in-news/coal-india-to-replace-reliance-capital-stock-in-nifty-50-from-oct-10/articleshow/9737210.cms

Planning Commission concerned at coal shortfall

NEW DELHI: The Planning Commission has sounded the alarm over falling coal supplies, saying that special consideration should be made for projects in environmentally sensitive areas.

In its approach paper to the Twelfth Five-Year Plan, the commission has sought a thorough review of the current approach to the environment-versus-development debate, clearly according top priority to the country's development agenda.

At the centre of the commission's critique is the 'go and no-go area' policy for coal blocks and the Comprehensive Environmental Pollution Index, or CEPI, norms adopted by the environment and forests ministry.

"Part of the reason for the shortfall in coal production is the implementation of tighter environment-related regulations, and problems in rehabilitation and resettlement and land acquisition," the document notes.

The commission had originally targeted coal production at 680 million tonnes during the ongoing 11th plan (2007-12), but scaled it down to 630 million tonnes during the mid-term appraisal in 2010. The target was further lowered to 554 million tonnes. Coal output expanded at 7% a year during 2004-05 to 2009-10, but stagnated in the previous fiscal. In the past five years, demand grew at an average 8% and is expected to continue at the same rate during the next plan.

Coal projects have struggled to get environment clearances since 2009, when the ministry's no-go classification disallowed mining in 203 coal blocks. According to a coal ministry's projection, the output from those 203 blocks, estimated at 660 million tonnes annually, could have been used to generate around 1.3 lakh megawatts of power a year.

"The environment ministry had adopted the policy of 'go, no-go'a¦ This would have severely impacted the ability to expand domestic production of coal," said a commission official. "The policy had to be reviewed and now some coal blocks have been cleared. This has to be continued to ensure coal availability.''

In January 2010, the environment ministry imposed a temporary ban on development works, including some coal mining projects in Jharkhand and Chattisgarh in industry clusters identified under CEPI norms. CEPI is an index of 88 industrial clusters across India, ranked according to their impact on environment and was developed to plan developmental projects in tandem with environmental protection.

The commission said the CEPI norms had prohibited mining in areas with high pollution index even if pollution was because of some other industry. "Coal being location specific, there is clearly a need for review of this (CEPI norms) approach," the paper notes. Currently the issue is under consideration of a group of ministers headed by Finance Minister Pranab Mukherjee.

The commission estimates a significant rise in reliance on imported coal as it would not be possible to meet the increased demand from domestic sources. Coal imports are expected to rise to over 200 million tonnes from the current 90 million tonnes by the end of the 12th plan.

The increase in reliance on imports not only portends a significant increase of 30% to 50% in costs for power plants, it also necessitates expensive technological upgradation as the units are not designed to take more than 10-15% of imported coal at present.

http://economictimes.indiatimes.com/news/news-by-industry/indl-goods-/-svs/metals-mining/planning-commission-concerned-at-coal-shortfall/articleshow/9754078.cms

Coal India Ltd unions place wage demands ranging from 100% to 500% hike

PTI Aug 22, 2011, 09.04pm IST

KOLKATA: Four of the five trade unions of mining major Coal India Ltd have placed their wage demand with the management.

Coal India Executive Director (Personnel & Industrial Relation) R Mohan Das said the unions have placed separate salary hike demands ranging from 100 per cent to 500 per cent.

"INTUC (Indian National Trade Union Congress) is yet to place their demand. We have asked the unions to discuss among themselves and come up with a common minimum demand for salary hike," he said.

http://articles.economictimes.indiatimes.com/2011-08-22/news/29915114_1_salary-hike-hind-khadan-mazdur-federation-national-coal-wage-agreement

Coal India mines face closure over environmental concerns

By Nityanand Shukla NEW DELHI | Wed Aug 24, 2011 3:25pm IST

NEW DELHI (Reuters) - At least 22 mines owned by Coal India, the world's biggest coal miner, face closure over environmental concerns in Jharkhand, potentially suffering an output loss of up to 40,000 tonnes a day, officials said on Wednesday.

Coal India's shares were down by as much as 4.3 percent at 0900 GMT on a Mumbai market that had lost close to 1 percent on weak Asian peers and concerns over global growth.

The mines, which provide mostly coking coal for state-run firm Steel Authority of India Ltd, are located in Jharkhand where pollution control authorities accuse them of running without proper forest clearance permission.

"We have issued an order to them to shut down," said Sanjay Kumar, member of Jharkhand State Pollution Control Board.

But a senior official at Bharat Coking Coal Ltd (BCCL), a unit of Coal India which operates these mines, said they had not yet received the closure order.

"We have not stopped production yet," D.C. Jha, BCCL director, told Reuters. "We will have to close down once we get the order."

Jha said the 22 open-cast and underground mines together produce about 35,000-40,000 tonnes of coal a day, adding that the company would petition the central environment ministry on the matter.

India's second largest company by market capitalization, Coal India accounts for nearly 80 percent of coal output in a country hungry for electricity needed to keep up its near-double digit growth.

The Kolkata-based miner has seen its shares rise over 25 percent this year, after the Indian government sold a 10-percent stake for $3.4 billion in the country's largest IPO ever last November.

But local coal supplies are falling short of demand not only because India is building more power plants but also because domestic mining projects are running into environmental and land acquisition delays.

Earlier this month, state-run Coal India said it was in talks for one acquisition each in Indonesia, Australia and the United States, but was awaiting the government's nod to go ahead with the deals.

(Reporting by Nityanand Shukla; Additional reporting by Henry Foy; Writing by Krittivas Mukherjee)

http://in.reuters.com/article/2011/08/24/idINIndia-58945920110824?feedType=nl&feedName=intopnews

US coal exports explode as global demand outpaces oil and gas

Frik Els | August 21, 2011

According to the US Energy Information Administration, coal production will fall 1.7% in 2011 hampered by widespread flooding in the west of the country. It is a steeper decline than previously forecast and the agency also predicts a further decline next year.

Nevertheless, strong demand from Asia and Europe for steam and metallurgical coal has pushed US coal exports up 35% in the first half of the year and should reach above 100 million tons by year’s end, the highest level in nearly 20 years.

Global coal consumption advanced 7.6% last year and at a faster pace than crude oil, natural gas and nuclear, according to statistics published by oil giant BP. Coal now accounts for 30% of global energy use, the highest since 1970.

Steel Guru reports the agency also removed tonnage from its 2012 forecast, saying US production will increase 0.3% next year rather than the 1.8% it forecast in its July outlook. Production in the Appalachian region increased in the first half of the year.

Coal Age reports in 2010, the US exported just more than 81 million tons of coal. Steam coal exports through June 2011, excluding lignite and anthracite, increased 88% to 18 million tons, and metallurgical coal exports increased nearly 18% to 35 million tons.

Lower European Union carbon-permit prices, sulfur dioxide regulations and a shift away from nuclear power in Germany will probably boost EU demand for coal, said analysts at Bloomberg New Energy Finance in London on Friday.

According to the annual BP Statistical Review of World Energy released in June coal's share of global energy consumption rose to 29.6% last year, the highest since 1970 and up from 25.6% a decade ago. China which overtook the US as the world largest energy consumer saw its consumption grow by 10% and consumed nearly half of the global coal total of 3.55 billion tonnes of oil equivalent.

http://www.mining.com/2011/08/21/us-coal-exports-explode-as-global-demand-outpaces-oil-and-gas/

IRON ORE, IRON AND STEEL

Mining banned in 2 districts

August 27, 2011 DC

After suspending iron ore mining in Bellary district last month, the Supreme Court on Friday extended the ban to two other districts — Chitradurga and Tumkur — in Karnataka for gross violation of environment and forest conservation laws. A forest bench comprising Chief Justice of India S.H. Kapadia and Justices Aftab Alam and Swatanter Kumar, however, left an option open for sale and transportation of the already extracted 25 million tonnes of iron ore by 46 companies in the two districts, to meet the requirements of the domestic steel industry.

The top court asked the Central Empowered Committee (CEC) and Attorney General G.E. Vahanvati to convene a meeting under the aegis of the Union environment and forest ministry within a week to assess the actual monthly demand of the steel industry in Karnataka so that the iron ore they need can be provided from the already extracted 25 million tonnes.

The AG and amicus curiae Shyam Diwan was directed to submit a report on the actual demand of the steel industry by September 2 when the case will be taken up for further hearing. The top court also permitted the associations of mining companies and steel industry to furnish data about the stocks with each mining company and the corresponding demand of the steel plants, to the CEC and AG to enable them to figure out how much of the extracted iron ore could be supplied every month.

Advocate K.K. Venugopal, who appeared for the steel industry, gave a tentative figure of over 2 million tonnes, which included the monthly demand of iron ore by the steel industry. The top court said that a royalty of 10 per cent should be paid to the Karnataka government on the sale made by mining companies to the domestic industry. The Centre was asked to name an agency which would maintain the accounts of royalty paid and the sale proceeds.

The top court further said that the royalty so collected, would be spent for improving the environment. The CJI said the suspension order of July 29, which pertained only to Bellary district, is being extended to Tumkur and Chitradurga on the report of the CEC, which had pointed out gross violation of environment and forest conservation laws in the two districts.

http://www.deccanchronicle.com/channels/cities/bengaluru/mining-banned-2-districts-494

Environment approvals valid only for 5 years - Bombay HC

Thursday, 25 Aug 2011

The high court of Bombay at Goa has in a recent judgment held that the environmental clearances granted under the Environment Impact Assessment Notification 1994, were valid only for a period of five years from the date of commencement of mining operations.

A division bench comprising Justice SA Bobde and Justice FM Reis passed the judgment in a public interest litigation filed by Shankar Jog, a retired environmental activist. The petitioner had challenged the operation of an iron ore mine operated by Talaulicar & Sons Pvt Ltd at Saniem, Sacorda. He had alleged that the clearances granted to the mine in 2005 under the EIA notification had expired in 2010 by virtue of condition stipulated in the notification.

While allowing the PIL, the bench has held that "In case there is no check on the environment hazard at the time of carrying out the mining activities, it can lead to degradation of the environment."

The court has also granted liberty to the company to seek renewal of the clearances within a period of three months, failing which, the court has directed it to discontinue the mining operations in the concerned mine after the said period until the environment clearance is obtained.

Mapusa based NGO Goa Foundation, in a press note stated the judgment will impact 54 mines in the state. All these mines will now have to stop the operations and seek fresh environment clearances from the environment ministry, said Goa Foundation's director Claude Alvares.

http://www.steelguru.com/indian_news/Environment_approvals_valid_only_for_5_years_-_Bombay_HC/221886.html

KOREA TO BECOME NET STEEL EXPORTER BY 2014: POSRI

Steel Business Briefing, Wednesday, 24 Aug 11

Korea will likely become a net steel exporter by 2014 on the back of steadily rising output. Moreover, the country's two major steel-exporting neighbours – Japan and China – will need to find new destinations for their overseas steel shipments.

Indeed, to prepare for the severe competition ahead the two countries will have to restructure their steel industries and eliminate their overcapacities, warns Kwag Chang-ho, managing director of Posco Research Institute.

"Korea will soon evolve into a net exporter from net importer (and) China and Japan will have to find and focus on new destinations such as Southeast Asia and India," Kwag told Steel Business Briefing on the sidelines of Steel Raw Materials Summit in Hong Kong on 23 August. "Competition in these markets will become very intense."

Korea's net steel imports increased steadily until 2008 due to domestic market shortfalls. But since 2009 the commissioning of new facilities has seen production growth outpace demand growth. Kwag was referring to the surge in Korean capacity, typified by the commissioning of two 4m tonnes/year blast furnaces by Hyundai Steel.

As a result, Korea's imports of semis, hot rolled coils and plate have declined sharply, he adds.

Indeed, Korea's total steel product exports have rocketed as domestic demand has been unable to absorb the extra output. During January-July exports reached 15.95m tonnes, up 17% year-on-year, while over the same period Korean steel imports dipped to 14.94m t, down 3% y-o-y, according to Korea Iron & Steel Association data.

Total export of HRC in the seven months surged to 3.86m t, up 37% y-o-y, while Korea's HRC imports plummeted 21% y-o-y to 4.14m t.

Environmental disaster in the making: Ecologists blast Posco

Hindustan Times New Delhi, August 23, 2011

A group of ecologists have warned of an ecological disaster at the Posco Steel Plant's site in Jagatsinghpur district of Orissa, with the state government cutting around 50,000 trees to prepare the site for the plant.

In a letter to Orissa chief minister Navin Patnaik and environment minister Jayanthi Natarajan, the ecologists have expressed concern over the state government's decision of afforestation in non-forest land in lieu of the trees being cut in forest land.

“This activity will entail conversion of non-forest land into forest land to carry out afforestation and in the process deprive another lot of people of access to common land,” said the letter signed by Belinda Wright of Wildlife Protection Society of India, Biswajit Mohanty of Wildlife Society of Orissa, Debi Goenka of Conservation Action Trust, Ashish Fernandes of Greenpeace, Kartik Shanker of Dakshin Foundation and Centre for Ecological Sciences, Ravi Chellam and wildlife biologist and Sharad Lele of Ashoka Trust for Research in Ecology and the Environment.

They said the afforestation in the country has been far from satisfactory and can seriously damage the existing coastal ecosystem and expressed displeasure over cutting down of trees in huge police presence.

This is being done when the state government does not have a valid Memorandum of Understanding with the project proponents Pohang Steel Company (POSCO).

“It seems that the decision is driven by a desire to crush the spirit and livelihoods of the people of the area,” the letter said, while demanding an immediate stopping of felling of trees and carrying out restoration work with the help of local communities.

http://www.hindustantimes.com/StoryPage/Print/736714.aspx

CFRE team on 5 day visit Bellary mining areas from tomorrow

PTI | 08:08 PM, Aug 23, 2011

Bellary (Kar), Aug 23 (PTI): The Supreme Court appointed Indian Council for Forest Research and Education (ICFRE) team will visit mining areas in the district for five days from tomorrow to assess the environmental impact due to mining. The 18-member team, headed by ICFRE Chief Director K V Bahuguna will visit Sandur, Bellary and Hospet, official sources said here today. The team will also hear the views of miners and others on August 25 and submit its findings in three months to the Supreme Court. On August 5, the Apex Court while allowing state enterprise NMDC to operate its two mines for producing iron ore in the district, had directed ICFRE to undertake a macro level environment impact assessment jointly with Wildlife Institute of India, Forest Survey of India and other expert organisations in forestry as decided by ICFRE in consultation with the Environment and Forest Ministry.

http://ibnlive.in.com/generalnewsfeed/news/icfre-team-on-5-day-visit-bellary-mining-areas-from-tomorrow/797931.html

Centre sanctions 2cr study to determine mining impact on state

TNN Aug 24, 2011, 04.04pm IST

PANAJI: The Union ministry of environment and forests has sanctioned a study on the regional environmental impact assessment (REIA) of mining in Goa to the Indian School of Mines, Dhanbad. The study will be done within 18 months with a budget provision of 2.02 crore.

This was informed by Union minister of state for environment Jayanti Natarajan to MP Shantaram Naik in the Rajya Sabha on Tuesday.

This was informed by Union minister of state for environment Jayanti Natarajan to MP Shantaram Naik in the Rajya Sabha on Tuesday.

http://www.silobreaker.com/centre-sanctions-2cr-study-to-determine-mining-impact-on-state-5_2264801230519795812

Essar Steel Orissa charged with green violation

Saturday, 20 Aug 2011

ET reported that Wildlife Society of Orissa has accused the Orissa government of not asking Essar Steel Orissa Ltd to stop dredging sand from the bed of River Mahanadi near Paradip in complete violation of the Coastal Regulatory Zone Notification, 2011 and Forest (Conservation) Act, 1980.

Mr Biswajit Mohanty, Secretary of Wildlife Society of Orissa told ET though Essar Steel Orissa Ltd obtained environmental clearance on May 29, 2008, there is no CRZ clearance which is mandatory since the area comes under CRZ zone of the Mahanadi River. A part of the plant site is CRZ area and also forest areas.

Mr Mohanty said the state government is fully aware that CRZ clearance is mandatory. Even at a high-level review meeting held on January 11th 2010, the state steel and mines secretary directed the company to seek CRZ clearance. Till now, an estimated 1,800,000 cum of sand has been excavated to fill up the site for the company, he added. Mohanty further said that the company violated the Forest (Conservation) Act, 1980 by illegally doing work since 2008, on non forest land.

Essar Steel Orissa Ltd is setting up a steel pellet factory with an annual production capacity of 6 million tonnes along with a captive power plant of 225Mw at a project cost of 10,721 crore over a total land area of 1,925 acres. For the last two years, Essar Steel Orissa Ltd has been dredging sand from the bed of River Mahanadi near Paradip.

http://www.steelguru.com/indian_news/Essar_Steel_Orissa_charged_with_green_violation/221068.html

Displaced villagers stall iron ore slurry pipe laying works of Essar Steel near Paradip

STEEL TRADE TODAY, Indian Edition, Sunday, Aug 28, 2011.

TNN reported that at least 1,200 displaced villagers, including many women, forcefully stalled the iron ore slurry pipe laying works of the Essar Steel project site near Paradip on Friday.

The agitators were demanding permanent jobs with proper salary in the steel company and adequate compensation for their land.

Mr Bimal Patnaik president of Essar Steel Company Displaced and Land Losers Association said "The Essar Steel company acquired our lands with a condition to provide us jobs. But now the company is not considering our demands, due to which we prevented the pipe laying works of the company in Nuagada village on Friday."

Mr Debajyoti Samanta deputy manager of Essar Steel said "The company has already laid about 230 kilometer long slurry pipelines from Keonjhar to Paradip to get liquid form of iron ore through the pipelines. But some villagers opposed the pipe laying works at Nuagada village near the plant on Friday. Negotiations are going on to sort out various issues through discussion with the agitating villagers. After completion of this pipeline, we will not have to depend on trucks and trains to get iron ores. We are laying pipelines on the canal side government lands for which the villagers have no right to oppose the pipe laying works."

The officer denied any neglect on the part of the company towards the displaced villagers by saying that "The Essar steel company acquired 1,268 acres of land in Udayabata, Bijayachandrapur and Nuagada villages after paying villagers proper compensation. We will fulfill the genuine demands of the agitators. We have recently completed a rural drinking water project in Nuagada under our CSR activities. We have also constructed proper roads in Nuagada. Some villagers with an ulterior motive have been trying to stall the pipeline laying works."

Many contact laborers, however, who are engaged in construction work of the Essar Steel project, have alleged being neglected by the company. Two months ago hundreds of contract laborers had locked the main gate of the Essar Steel project site in Paradip, demanding fulfillment of their long standing, eight-point charter of demands. These include payment of higher wages as well as proper maintenance of records pertaining to gratuity and employees provident fund (EPF) accounts, among others.

http://www.steelguru.com/indian_news/Displaced_villagers_stall_iron_ore_slurry_pipe_laying_works_of_Essar_Steel_near_Paradip/222403.html

Iron ore price rise eclipses gold as China construction continues unabated

Frik Els | August 21, 2011

BHP Billiton, the world most valuable miner, is set to report a record $22 billion in annual profit on Wednesday thanks in large part to its iron business.

The stellar numbers come as global blast furnace growth over the next five years is predicted to rise by a staggering 300 million tonnes as China's construction boom continues unabated. On top of that India's iron ore exports could halve over the same period further bolstering prices that in percentage terms have outclassed even that of gold as the world economy recovered post the 2008 collapse.

China, the world's largest iron ore consumer, imported 618 million tonnes of iron ore last year, supplied by Fortescue and the world's top three mining groups BHP Billiton, Rio Tinto and Vale. Fortescue only shipped its first ore in 2008 and has since grown to over $5 billion in revenues.

Research consultants Wood Mackenzie said in July that Chinese construction spending won't slow down until 2020 and China needs to import 1 billion mt of iron ore due to the relatively high cost and the low quality of its domestic supplies. This will keep spot prices of iron ore above $150/mt through 2015. Iron ore traded at $172/tonne in July.

The Wall Street Journal reports Fortescue is planning to expand production more than six-fold.

CNBC interviewed Fortescue CEO Nev Power who said Fortescue is heavily linked in to China's success and China's growth going forward, making the company "relatively immune" from what's going on in the US and Europe.

Reuters reports since 2009, the price of iron ore has risen more in percentage terms than gold and oil, owing in large part to continued strong demand from Chinese steel mills.

MINING.com reported on Monday lower shipments from India, which exports almost half the 200 million tonnes it produces should help bolster prices that have more than tripled in three years before massive Australian projects come on stream around 2014.

MINING.com reported in July the so-called commodities bible – Cyclope's World Commodity Yearbook – just published in English is a testament to how the pricing of iron ore from secretive negotiations and annual contracts to prices linked to the spot market constitutes a "true revolution".

http://www.mining.com/2011/08/21/iron-ore-price-rise-eclipses-gold-as-china-construction-continues-unabated/

Iron ore price outlook strong on supply shortage: BHP CEO

London (Platts)--24Aug2011/1154 am EDT/1554 GMT

Mining giant BHP Billiton's chief executive Marius Kloppers said Wednesday he expected a stronger price outlook for iron ore than for coking coal due to reduced supply options for the metal used in making steel.

He said while US miners had shown the ability to ramp up output of mid-vol coking coal for exports into Asia as well as Europe and Brazil making use of existing rail and port networks -- capping the upside to global prices -- iron ore supplies around the world were already at their limit and could not as easily meet demand. Also, while he was optimistic about BHP

Billiton's iron ore production expansion pipeline in Australia and demand from China, he seemed less enthused about prospects to expedite its metallurgical coal developments, based on Australia's carbon taxation issues and competition from the US.

Kloppers also said that China's economy was moving to a consumer-based phase from a producer-based one, requiring the diversified miner to shift reliance from steelmaking commodities to oil and gas, fertilizer and base metals.

Meanwhile, Platts 62%-Fe iron ore assessment has trended higher in recent days, up 50 cents Wednesday to $180.25/dmt CFR North China, compared with around $170/dmt in early July. Coking coal prices on the other hand have come under pressure with Platts Premium Low Vol dropping to $293/mt FOB Australia, Wednesday, equaling the 2011 low reached on May 25 and down from trading above $300/mt FOB for several months until August 8.

US COKING COAL COMPETES IN ASIA

US coking coal has increasingly been shipped to China and Northeast Asia this year, like last year, amid high benchmark prices of around $300/mt, said Kloppers. The $315/mt FOB Australia price in Q3 is still close to record levels seen earlier this year.

The new Q4 coking coal contracts are said to be negotiated in a $250-300/mt bid/offer range, Credit Suisse said in a report this week.

BHP Billiton is the world's biggest seaborne coking coal supplier through mines in Australia, many of which are owned jointly with Mitsubishi Corp. of Japan.

In iron ore, the Melbourne-based dual listed group is the world's third-largest seaborne producer through operations in Western Australia and a pellet plant joint venture in Brazil with Vale. Rio Tinto, which also has operations in Western Australia, is behind Brazil's Vale as second-biggest.

BHP Billiton on Wednesday reported an 86% year-on-year surge in group net profit to $23.6 billion for its financial year ended June 30, as record production in iron ore and copper and much higher prices boosted results. Group revenue rose 36% to $71.7 billion, led by the iron ore business.

The "vast majority" of iron ore sales are being done billed on a month or quarterly basis of loading date, using market indicators such as prices indices; and about half of coking coal sales are priced on a monthly basis, Kloppers said.

BHP Billiton over the next 6-12 months would focus on helping improve spot pricing in iron ore, looking for more liquidity and stability in index prices, he said. Development of a screen-based physical iron ore spot trading platform such as the globalCOAL platform in thermal coal would help, Kloppers added.

BHP Billiton's capital and exploration expenditure in its financial year totaled $12.4 billion and expenditure on major growth projects was $9.2 billion, of which $7.4 billion was for minerals projects and $1.8 billion for petroleum projects.

Exploration expenditure was $1.2 billion, including $981 million classified within net operating cash flows. The $12.4 billion capex is below the company's previous guidance of around $15 billion, which Kloppers said was "a normal threshold of error" for capital allocations for projects.

The company aims for capex to total $80 billion through to the year ending June 30, 2015, but did not disclose any precise targets for the new 2012 financial year, other than the $20 billion average annual amount for the period. The $15.1 billion acquisition of US shale gas developer Petrohawk Energy Corp. would require its group project pipeline to be re-examined and spending prioritized based on the changes since the acquisition, Kloppers said.

IRON ORE PREMIA 'MOVED AROUND'

The iron ore business made up 28% of total revenue at $20.4 billion, rising 83% on the prior year period. Underlying iron ore EBIT more than doubled, up 122% to $13.3 billion. Excluding a small portion of third-party product revenue, the iron ore unit saw an average price of around $151/mt in the year, based on Platts calculations using company production data.

Kloppers said iron ore sales prices closely matched global indicators, while premias and discount values based on the specification of shipped ore "moved around a bit."

The company's metallurgical coal business, hit by flooding earlier this year, saw a 25% year-on-year rise in revenue to $7.57 billion on higher prices. Metallurgical coal accounted for 11% of total group revenue and saw underlying EBIT rise 30% to $2.67 billion.

The stainless steel materials segment posted a 7% rise in sales to $3.86 billion, while EBIT dropped 12% year on year to $588 million.

--Hector Forster

http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Metals/8273394

NUCLEAR ENERGY

Nuclear scientist flays opposition to Jaitapur project

24 August 2011 - 11:24pm India News By IANS,

Mumbai : Terming as "totally unacceptable" the opposition by environmental activists to the proposed Jaitapur Nuclear Power Project in Maharashtra, top nuclear scientist M.R.

Srinivasan Wednesday strongly advocated the need for nuclear power to fuel India's developmental programmes.

At the same time, he observed that the government and political parties have failed to evolve a proper mechanism to resolve issues of compensation for land acquisition and other issues which subsequently delay implementation of such mega-projects.

Delivering the first Homi Sethna Memorial Lecture on 'Future of Nuclear Power After Fukushima' here, Srinivasan said he had personally selected the site for the Jaitapur project, in coastal Ratnagiri, way back in 1984, keeping in view factors like no agriculture barring fodder grass and no human settlements.

"There would no effluents which could affect the mango orchards or fishing activity. We have actual experience at Tarapur and Kalpakkam and at neither of these places there has been an adverse impact on marine life," Srinivasan said.

Srinivasan pointed out that for too long the country has overlooked environmental concerns while implementing developmental projects.

"In the last ten years or so, there is a justified concern that future activities must not damage our environment. Past activities should be revisited and augmentation of effluent disposal to meet current criteria must be done promptly," he said.

However, in recent times, there is a sense of "triumphalism" amongst activists whenever a project is stopped or abandoned, Srinivasan lamented.

He raised questions on how poverty and deprivation can be eliminated if the country does not create wealth through economic development. Cement, steel, aluminium, fertilizers, and other basic raw materials and vital infrastructure like railways cannot be produced or run without electric power, he said.

He warned that in the decades to come, petroleum would either be too expensive or simply not available. Then, the transport systems would have to be run on electricity or on hydrogen produced by using fossil fuel or electricity.

Though options like solar and wind energy are available, they would prove to be inadequate or uneconomic as compared to nuclear power.

"Sometimes, our environmental activists consider all of us involved in industrial activities as 'anti-national' people and confer on themselves all patriotism. As a person who has spent some five and a half decades in developing nuclear power, under difficult conditions, I consider this value judgement of our environmental activists completely unacceptable," Srinivasan asserted.

He said that four decades ago, India celebrated when a new dam, steel plant, power plant, fertilizer plant or a canal system was built.

"Now, we seem to celebrate every time a steel plant, aluminium plant or power plant is stopped," he said.

In contrast, he referred to China, whose mega-infrastructure projects are viewed with admiration by the world.

http://twocircles.net/2011aug24/nuclear_scientist_flays_opposition_jaitapur_project.html

BAUXITE, ALUMINA AND ALUMINIUM

Apex court's final hearing on Sterlite project next year

Updated on Tuesday, August 23, 2011, 21:34

New Delhi: As the Supreme Court was told Tuesday that the withdrawal of environment clearance for the joint venture bauxite mining project of the Orissa Mining Corporation and Sterlite Industries had created an uncertain situation, the court said it would hold a final hearing in the case in January next year.

The apex court bench of Justice R.V. Raveendran and Justice A.K. Patnaik declined the plea for an early hearing by senior counsel K.K. Venugopal, who appeared for OMC. The corp has challenged the withdrawal of forest and environmental clearances by the union environment and forests ministry.

The forest clearance for the OMC and Sterlite bauxite mining project in Niyamgiri hills of the state was withdrawn Aug 24, 2010. The environment clearance was withdrawn July 11 this year.

Sterlite Industries is the Indian arm of the Britain-based Vedanta group.

Senior counsel Sanjay Parikh, appearing for the right activists Prafulla Samantray, said that OMC should be asked to approach the green tribunal for challenging the withdrawal of both the forest and environmental clearances.

Parikh told the court that when the apex court was moved, the green tribunal did not exist, but now since it was there the matter should go to it.

While deciding to hold the final hearing on the matter in January next year, the court permitted Prafulla Samantray to file application to be heard in the case.

http://zeenews.india.com/business/news/news_content.aspx?newscatid=3&newsid=28966l

China to invest $6 bln in Guinea bauxite

by Staff Writers

Conakry (AFP) Aug 20, 2011

Chinese state-owned energy giant China Power Investment Corporation plans to invest six billion dollars to develop bauxite production in Guinea, a senior executive said here Saturday.

China Power Investment "intends to invest more than six billion dollars in bauxite production in the Boffa region over the coming years", vice chairman Yu Dehui said on Guinean state television.

The Chinese company official was leading a delegation that met with Guinean President Alpha Conde.

Yu Dehui said the facilities his group plans to build would produce up to eight million tonnes of bauxite -- the main source of aluminium -- a year and would employ tens of thousands of Guineans.

Guinea is the world's leading bauxite exporter.

http://www.terradaily.com/reports/China_to_invest_6_bln_in_Guinea_bauxite_999.html

COPPER

HCL to revive copper mines - Production to reach 4.11MT

AMIT GUPTA The Telegraph 24th August 2011

Ranchi, Aug. 23: Central public sector unit (PSU) Hindustan Copper Limited (HCL) will embark on a major expansion drive in Jharkhand with plans to increase production at its mines in Ghatshila, East Singhbhum, from about 0.42 metric tonne (MT) to 4.11 MT.
The 4.11MT target will be achieved in the next four to five years while the expansion process is likely to start within three months.

“We are in the process of finalising tenders to rope in Equipment, Procurement and Commissioning (EPC) contractors/agencies for taking up the task of mining at existing and closed copper mines in Ghatshila region. EPC contractors will begin work expectedly from December-January,” HCL director (mining) Avijit Ghosh told The Telegraph.

At present, only Surda mine is in operation while Rakha, Kendadih and Sidheshwar-Chapdi mines were closed down about 10 years ago after copper rates nosedived in the international market. But now with the prices picking up and reaching an all-time high of about $8,800 per tonne, HCL sees a good opportunity to resume mining in the region, Ghosh added.

The operating Surda mine produces around 0.42 MT of ore, which is sent to HCL’s processing plant at Moubhandar, Ghatshila, for production of metal concentrate for further usage in different industries.

Under the proposed expansion plan, 1.5MT ore will be produced each from Rakha and Sidheshwar-Chapdi mines, while 0.21MT will be sourced from Kendadih mines. The capacity of Surda will be augmented to 0.9MT per year.

Ghosh, who was on an official trip to Ranchi and Dhanbad on August 21-22, added that they had environmental clearances for opening a majority of mines while the process is on to get the nod for others.

Industry sources said companies like Sterlite Industries and Aditya Birla Group's Hindalco Industries Limited were ready customers of HCL while there is also a demand in the international market.

The ore concentrate plant at Moubhandar has a capacity of processing 3.5MT ore. So at present, the facilities remain underutilised as from Surda mine, only about 0.42 MT ore is mined every year.

http://www.telegraphindia.com/1110824/jsp/jharkhand/story_14416431.jsp

LIMESTONE

Birla Corp suspends limestone mining in Rajasthan

Mumbai, Aug. 27:

Birla Corporation, the flagship of M.P. Birla Group, has suspended limestone mining at Chittorgarh following the Rajasthan High Court's order to stop mining within 10 km of the Chittorgarh Fort.

The company, which has varied business interest in cement, jute goods, PVC floor covering, auto trim parts and iron and steel casting, plans to dip into its limestone inventory that is sufficient to maintain production at the Chanderia cement plant for 6-7 days.

The Rajasthan High Court has directed that no mining take place in the mining leases within 10 km of the Fort.

In view of the order, the mining of limestone has been suspended, said Birla Corporation in a statement. It plans to take necessary legal measures for revocation of the order, the company said.

Birla Corporation has an installed cement manufacturing capacity of 6.46 million tonnes a year through seven cement plants in Madhya Pradesh, Rajasthan, West Bengal and Uttar Pradesh. It produced 5.69 million tonnes of cement last fiscal.

The cement division of the company also operates two coal-based captive power plants at Satna (27 MW) and Chanderia (29.8 MW). Besides tapping the domestic market, the company exports large quantities of cement to Nepal.

Huge reserves

Rajasthan has extensive cement grade limestone reserves. Chittorgarh is the main cement producing district in Rajasthan. Most of the cement plants are located close to limestone mines as it is one of the key raw materials used for producing cement. Major cement companies in Rajasthan include Shree Cement, Ambuja Cement, ACC, Bangur Cement, Binani Cement and Laxmi Cement.

http://www.thehindubusinessline.com/companies/article2403846.ece?homepage=true

ENVIRONMENT

Government 'soon' to come out with forest certification policy

26 Aug, 2011, 04.45PM IST, PTI

KOCHI: The Union government is likely to come out with a forest certification policy "very soon" which would be applicable to all states and Union Territories, a senior WWF-India official said.

The new policy is expected to be ready in a month's time, T R Manoharan, Head Forest Programme WWF India, told reporters here.

Forest certification is a mechanism for forest monitoring, tracing and labelling timber, wood and pulp products and non-timber forest products where the quality of management from environmental, social, economic perspectives is judged against a series of agreed standards, B S Corrie, additional principal chief conservator of forests, who was also present there said.

The Indian Institute of Forest Management was working on Criteria and Indicators (C&I) for sustainable forest management since the last 10 years.

C&I was presently being field tested in various parts of the country, Manoharan said, adding, some of these indicators are likely to be incorporated in the new policy.

Forest certification in India is still at a growing stage.

No forests in India are certified except 644 hectares of private rubber plantations in Tamil Nadu which secured 'FSC' Forest Management Unit Certificate, Manoharan said.

To promote forest certification, WWF, one of the world's largest conservation organisations, has advocated a "step wise approach" and developed suitable methods and tool kits which can be used by forest or plantation managers and traders.

http://economictimes.indiatimes.com/news/economy/policy/government-soon-to-come-out-with-forest-certification-policy/articleshow/9746468.cms

Industry, mining cause diversion of 10,261 ha forest land

BS Reporter / Kolkata/ Bhubaneswar August 27, 2011, 0:57 IST

As many as 10261.48 hectares of forest land have been diverted for mining and industrial activities in the state between 2001-02 and 2010-11.

During the past ten years, the diversion of forest land for mining and industrial activities stood at 8,476.41 hectares and 1,785.07 hectares respectively. In lieu of that, 12,122.99 hectares land including 7,233.38 hectares of forest land and 4,889.60 hectares of non-forest land were earmarked for raising compensatory afforestation.

The percentage of survival in the compensatory afforestation activities taken up at different locations of the state varies from 30 per cent to 90 per cent, said state minister for forest and environment Debi Prasad Mishra.

Of the total area of 2,014.72 hectares stipulated for compensatory afforestation for the industrial activities, 339.04 hectares have been covered. On the other hand, 6,335.49 hectares have been covered out of the total area of 10,108.27 hectares stipulated for mining activities.

The state has diverted 119.84 hectares (296.13 acres) of forest land in Angul district for the establishment of Jindal Steel & Power Ltd (JSPL). Similarly, 1,253.22 hectares (3,096.77 acres) were diverted for Posco India's mega steel plant proposed in Jagatsinghpur district.

The other projects for which forest land has been diverted included Bhushan Steel Ltd at Lapanga (59.16 hectares), aluminium smelter and captive power plant of Aditya Aluminium Ltd-Sambalpur (119.84 hectares), Bhushan Steel & Strips Ltd in Angul and Dhenkanal districts (61.48 hectares), Shyam DRI Power Ltd at Pandoli in Sambalpur district (38.39 hectares) and Adhunik Metaliks-Rourkela (24.34 hectares).

This apart, the diversion of 1,159.4 hectares (2,864.93 acres) of forest land for 22 industries is on the pipeline.

The proposals include diversion of 519.19 hectares of forest land at Patana tehsil in Keonjhar district for the setting up of a 12 million tonne per annum greenfield steel plant by ArcelorMittal India Ltd and 74.52 hectares of forest land at Athagarh in Cuttack district for KVK Nilachal Power Ltd.

http://www.business-standard.com/india/news/industry-mining-cause-diversion10261-ha-forest-land/447189/

India: CSD condemns proposed Participatory Forest Mgt Resolution

August 26, 2011

Orissadiary.com

Campaign for Survival and Dignity (CSD), Odisha, a large network of tribals and forest dwellers which struggled hard to get the historic Forest Rights Act, 2006 enacted by

Parliament today vehemently criticized the State Forest Department for attempting to dilute the community rights over Community Forest Resources (CFR) recognized under FRA. Addressing the media, members of CSD, Odisha reacted upon the recent proposed "PARTICIPATORY FOREST MANAGEMENT RESOLUTION" 2011 uploaded in the Forest Department's website. They are of view that the proposed resolution is illegal and contradictory to the FRA. "The Forest Department does not have any legal authority to issue such a resolution when the nodal agency for the FRA is the Tribal Dept".

The Forest Rights Act not only recognizes individual forest rights to the tribals and forest dwellers, it also recognizes community rights over CFR at the same time the Act has empowered the local community people for the first time after independence to protect, re-generate and manage the forest themselves forming "Forest Protection and Management Committee". When the FRA does not mentioned any role of the VSS and FD in the protection and management of CFR area, the Forest Department after losing its power is trying to reestablished its colonial control over forest by revising JFM." "When the FRA is talking of recognizing community rights over CFR by issuing community forest rights titles to the gram sabhas, in contrary to that the proposed Participatory Forest Management wants the community to sign MoU with the Forest Department to get their rights over CFR" the CSD members shared.

http://www.forestcarbonasia.org/in-the-media/india-csd-condemns-proposed-participatory-forest-mgt-resolution/

Where conservation is the only religion

Sunday, Aug 28, 2011, 8:00 IST

By Gangadharan Menon | Place: Mumbai | Agency: DNA

In my mind, the Bishnois were synonymous only with their efforts to save the black buck. That was until I travelled to Rajasthan and realised they are protectors of nature as a whole. It will certainly warm the cockles of every conservationist to know that there are 10 lakh Bishnois in the state and are not a 'marginal community'.

Their religion was founded by Lord Jambheshwar who is believed to be an incarnation of Lord Vishnu, the preserver of all that's created on earth. It is probably the only religion in the world that's grounded primarily in conservation.

Legend has it that from the age of eight to 34, Jambheshwar led the life of a cowherd. He was born into the warrior clan of Rajputs but chose a different life. Instead of developing hunting skills, he learned to communicate with living beings.

A matter of principles

At Samrathal, in the shifting sands near Jodhpur, my guide Om Prakash Lol showed me the spot where Jambheshwar sat and meditated, with visions of a green paradise. That is where he came up with the 29 principles that would govern the lives of his many followers, who would be called Bishnois — derived from ‘bees’ and ‘noi’, which means 20 and nine.

The Bishnois’ reverence for trees is so intense that, in spite of being Hindus, they don’t cremate their dead but bury them. Blackbucks and chinkaras aside, a variety of birds like vultures, partridges, peacocks and the endangered Great Indian Bustard find a safe haven around Bishnoi villages.

Not only do the Bishnois protect the blackbuck from poachers, they also allow them to graze freely on their farmlands. Om told me, “It’s the belief of every Bishnoi that the first right to the harvest goes to the blackbucks, nilgais and chinkaras. Whatever is left by them belongs to us.”

In the village of Jajiwal, we saw a Bishnoi temple that doubles up as a rescue shelter. The priest took care of injured antelopes. Some go back into the wild after they recover, while others roam about in the compound.

The Bishnoi women have deep maternal affection for the rescued calves. At Khejadli, we saw a Bishnoi woman breastfeeding a newly born, orphaned calf of a blackbuck.

Conservators, naturally

It was in this village that I met Sunil Bishnoi, a firebrand community leader. He explained how over time the Bishnois had become ‘active conservators’. Today, they pursue poachers with mere lathis and tonnes of courage to capture them hand them over to the forest authorities. In the last few decades, there have been cases of Bishnois laying down their lives in defence of these animals. They now have what they call the Tiger Force, a 1000-strong brigade committed to wildlife protection, spread across hundreds of villages. The Tiger Force came into the spotlight when they chased and caught an Indian superstar and his gang red-handed with the blackbucks they had killed.

A visit to the abode of Gangaram Bishnoi gave us a sense of the depth of feeling behind the courage. At the entrance to his village is a memorial where he lies buried next to the blackbuck he tried to save. His aged father and mother, his wife and two young children, are proud that Gangaram took four bullets on his chest from poachers for trying to save what others would call a mere animal. His mother pointed to a photograph of Gangaram’s wife receiving the President’s medal from Dr Abdul Kalam in recognition of the heroic act.

The paradox, however, is that only a handful of Bishnois occupy influential positions in the forest department, even though they are conservators from birth. BR Bhadoo, a rare forest officer from the community, pointed out the tragic reason behind this: widespread illiteracy, the bane of most Bishnois.

http://www.dnaindia.com/lifestyle/report_where-conservation-is-the-only-religion_1580432

Women fight against sand mining

Express News Service, The New Indian Express

Posted on Aug 23, 2011 at 11:59am IST

SRIKAKULAM: People's agitations to protect their lands and livelihoods have been continuing since the advent of capitalism.
But what makes the protest against sand mining in the district stand out is the fact that they are mainly being led by women. These women have not just stuck to raising slogans during public hearings but have also resorted to physical violence against their local leaders who, they allege, are trying to sell out on them.

The main target of this spewing anger is Trimex Sand Private Limited (TSPL), a part of Trimex Group who have obtained mining lease in an area of 7.2 sq.km in Srikurmam near Srikakulam and propose to undertake sand mining along 193 kilometre of coastline in the district. The company has also set up mining and mineral separation facilities based on the existing Srikurmam deposits to produce heavy minerals like Illmenite, Rutile, Zircon, Garnet and Sillimanite. The mining lease is distributed to two adjacent deposits - Vatchavalasa and Tonangi.

But apart from these minerals, the region is also home to almost 118 fishing villages and almost 4,000 acres of cashew plantations. Farmers in Vajrapu Kotturu and Santa Bommali mandals, where a majority of the cashew plantations are situated, fear that once the company starts its operations, they will lose their farms.

Though TSPL assured farmers they would return their land after the mining is completed and also promised financial support to help them re-establish their plantations, farmers are worried that the land would not give the same yield then.

The fisherfolk, on the other hand, are worried over the salinity of ground water increasing due to sand mining. Fisherfolk in 14 panchayats also have apprehensions about drinking water becoming scarce since the mining lease for the company is for 30 years. Moreover, there are reservations on the ecological front too. Environmentalists believe that the project would lead to erosion and pose a threat to Olive Ridley turtles which come to the coast for nesting.

At a public hearing held recently on the project, the people expressed these concerns and opposed the projects.
Interestingly, it was the women in the area who were the most vocal. They alleged that the company bribed some of the local leaders in the panchayats. Some women from Self Help Groups (SHGs) even physically attacked Manchinnellapeta village MPTC Shanumukha Rao for allegedly accepting a bribe of 4 lakh which, they said, he distributed to other leaders. The SHG members say that it was due to this that the leaders supported sand mining by

Trimex during the public hearings. Expecting further attacks, four panchayat leaders have fled from their villages.

"Though the company is trying hard to make us believe that no ground water depletion or salinity would take place even after mining for 30 years, we don't believe them," locals said. Meanwhile, joint collector E Sridhar, who presided over the public hearing, is readying the final report to be sent to the ministry of environment and forests in Delhi for environmental clearance. The report will be made available in each panchayat office for anyone to study it, Sridhar said.

When contacted, chief operating officer of TSPL, CHGVK Prasad said the fears of the people are unfounded and that they were being instigated by civil society representatives. "The process of mineral separation does not involve use of chemicals or release of effluents. We are ensuring ecological balance and are also offering a good package to locals. We are also promising employment to the local people," he said. He denied that the company bribed local leaders.

http://ibnlive.in.com/news/women-fight-against-sand-mining/177948-60-114.html

MIXED BAG

Business Monitor International releases the latest analysis of China's mining industry

WEBWIRE – Thursday, August 25, 2011

Business Monitor International (BMI) has published its latest China Mining Report, which forecasts annual average industry growth of 9.1% in real terms from 2011 to 2015, with production of bauxite, copper, tin and gold set to rise fastest. By the end of this period, the value of China's mining industry will reach US$606bn. Industry-wide energy efficiency and consolidation measures introduced by the government as part of the 12th Five-Year Plan (2011-2015) will be the key drivers of growth.

BMI expects the industry to see further consolidation as government involvement increases, resulting in the closure of underperforming smaller mines and pressure on the country's largest operations to improve efficiency and boost productivity.

The Report provides key forecasts and in-depth analysis of China's mining industry, covering mining reserves, supply, demand and prices, plus analysis of landmark company developments, expansion plans and significant changes in the regulatory environment. Moreover, it features BMI's mining and commodity forecasts to end-2015 for metals, minerals and gems.

China, India and Australia have become global leaders in gold, lead, zinc, bauxite and iron ore production over the last decade, strengthening Asia's position as a dominant global mining player. That said, BMI forecasts Indonesia to become increasingly important a regional hub for mining production as domestic companies develop the country's mining reserves.

Indonesia's mining industry is set for rapid growth as the country continues to attract investment in coal, nickel and tin sectors.

http://www.webwire.com/ViewPressRel.asp?aId=144248

Japan Spurs Solar, Wind Power With Law Subsidizing Renewable Energy

By Chisaki Watanabe - Aug 26, 2011 12:57 PM GMT+0530

Japan approved a bill today to subsidize electricity from renewable sources, joining European nations in shifting away from nuclear power after the Fukushima reactor meltdowns in March.

The renewable-energy bill was passed by the upper house following approval by the lower chamber on Aug. 23 and was one of the last acts of Prime Minister Naoto Kan, whose support has sagged over his handling of Japan's worst postwar disaster. He said today he's resigning after parliament passed the legislation.

The bill allows for incentives that guarantee above-market rates for wind, solar and geothermal energy. The so-called feed-in tariff created a race to install solar panels when implemented in Germany and Spain. In Japan, it may help Chinese companies such as Suntech Power Holdings Co. and Canadian Solar Inc. (CSIQ) gain a foothold.

Japan gets about 9 percent of its electricity from low- carbon sources. Kan has called for that level to increase and for the country to phase out atomic energy after the March 11 earthquake and tsunami crippled Tokyo Electric Power Co.'s Fukushima nuclear complex. Before the crisis, atomic plants supplied about 30 percent of the country's electricity.

Solar Growth

Solar panels had capacity to produce about 3.68 gigawatts of power at the end of last year in Japan, and the government is targeting 28 gigawatts by 2020. Installations may total 1.4 gigawatts to 1.6 gigawatts this year, according to London-based researcher Bloomberg New Energy Finance. A new nuclear plant can typically generate more than 1 gigawatt.

The legislation will become effective on July 1, 2012, and require utilities to buy electricity generated by renewable sources including solar, wind and geothermal at above-market rates. The trade and industry minister will decide rates and periods after consulting with experts and other ministers.

"As an intensive measure to expand the use of renewable energy, the minister will give special consideration to the profit power suppliers receive," according to the clean-energy law's supplementary provisions.

Critics of the measures included Keidanren, Japan’s largest business lobby, which includes power utilities. Lawmakers agreed to revise the legislation to grant a discount of at least 80 percent on the feed-in tariffs that are passed on in electricity bills to heavy power users.

Power Rates

Rates for renewable energy except solar will be as much as 20 yen (26 cents) a kilowatt-hour for about 15 years, Trade and Industry Minister Banri Kaieda said in parliament on July 14.

The rate for solar may be higher, in light of a plan introduced in 2009 to buy excess solar power. Currently the tariff for surplus solar power generated by homes is 42 yen a kilowatt-hour, while for electricity produced by businesses and schools it is 40 yen. That compares with the grid electricity price of 13.77 yen a kilowatt-hour for commercial users, according to data from Japan’s Agency for Natural Resources and Energy.

An average household may pay a surcharge of 180 yen a month because of the new rules, said Nobumori Otani, a Democrat Party of Japan lawmaker who leads the ruling party's renewables team.

Hydroelectric and biomass power will also benefit from the subsidies.

http://www.bloomberg.com/news/2011-08-26/japan-passes-renewable-energy-bill-one-precondition-of-kan-s-resignation.html

All Together Now

By THOMAS L. FRIEDMAN Op-Ed Columnist

August 27, 2011

Now let me say that in English: the European Union is cracking up. The Arab world is cracking up. China’s growth model is under pressure and America’s credit-driven capitalist model has suffered a warning heart attack and needs a total rethink. Recasting any one of these alone would be huge. Doing all four at once — when the world has never been more interconnected — is mind-boggling. We are again “present at the creation” — but of what?

Let’s start with the Middle East, the world’s oil tap. Libyans just joined Tunisians, Egyptians and Yemenis in ousting their dictator, while Syrians and Iranians hope to soon follow suit. In time, virtually every Middle East autocrat will be deposed or forced to share power. The old model can’t hold. That model was based on kings and military dictators capturing the oil revenue, ensconcing themselves in power — protected by well-financed armies and security services — and buying off key segments of their populations. That lid has been blown off by an Arab youth bulge that today can see just how everyone else is living and is no longer ready to accept being behind, undereducated, unemployed, humiliated and powerless. But while this old Middle East system — based on an iron fist and a fistful of petro-dollars holding together multiethnic/multireligious societies — has broken down, it will take time for these societies to write their own social contracts for how to live together without an iron fist from above. Hope for the best, prepare for anything.

Farther north, it was a nice idea, this European Union and euro-zone: Let's have a monetary union and a common currency but let everyone run their own fiscal policy, as long as they swear to work and save like Germans. Alas, it was too good to be true. Large government welfare programs in some European countries, without the revenue to finance them from local production, eventually led to a piling up of sovereign debt — mostly owed to European banks — and then a lender revolt. The producer-savers in northern Europe are now drawing up a new deal with the overspenders — the PIIGS: Portugal, Italy, Ireland, Greece and Spain. It is unlikely that the Germans would just break out of the European Union, since a good chunk of their exports go to those overspending, uncompetitive countries. Instead, the northern Europeans are trying to force stronger, rule-based discipline on the PIIGS. But how much more austerity can these countries absorb, especially if there are further social stresses from deeper recessions? More than Londoners will take to the streets. One way or another, the European Union is going to get smaller or tighter, but in the process it could go through a chaotic, world-shaking transition that is not priced into the market yet.

Going East, China has been relying on a model built on a deliberately undervalued currency and export-led growth, with low domestic consumption and high savings. This has allowed the Communist Party to sustain a unique bargain with its people: We give you jobs and rising standards of living, and you give us power. This bargain is now under threat. Persistent unemployment in China's American and European markets is making Beijing's undervalued-currency/low-consumption/high-export model less sustainable for the world. China also has to get rich before it gets old. It has to move from two parents saving for one kid, to one kid paying for the retirement of two parents. To do that, it has to move from an assembly-copying-manufacturing economy to a knowledge-services-innovation economy. This requires more freedom and rule of law, and you can already see mounting demands for it. Something has to give there.

As for America, we've thrived in recent decades with a credit-consumption-led economy, whereby we maintained a middle class by using more steroids (easy credit, subprime mortgages and construction work) and less muscle-building (education, skill-building and innovation). It's put us in a deep hole, and the only way to dig out now is a new, hybrid politics that mixes spending cuts, tax increases, tax reform and investments in infrastructure, education, research and production. But that mix is not the agenda of either party. Either our two parties find a way to collaborate in the center around this new hybrid politics, or a third party is going to emerge — or we're stuck and the pain will just get worse.

When the world is experiencing so many wrenching changes at once — with already high unemployment and weak economies — the need for America, the most important pillar of all, to be rock solid is greater than ever. If we don't get our act together — which will require collective action normally reserved for wartime — we are not going to just be prolonging an American crisis, but feeding a global one.

http://www.nytimes.com/2011/08/28/opinion/sunday/friedman-all-together-now.html