

CURRENT NEWS

March, 2008

Coal mine fire in Burdwan triggers panic

March 31, 2008: ANI reported that a fire, that has been raging at a coal mine in West Bengal's Burdwan District for the past 2 days, has spread panic among the locals. As per report, residents of Nimcha village said that officials have done nothing to stop it and are only interested in making money from legal and illegal mines. Mr. Naba Kumar Mishra a leader of Centre of Indian Trade Unions claimed that no thought is being given to saving the lives of villagers. Meanwhile, CIL's Eastern Coalfields Limited, which runs the mine, said that there is no danger to the village. Mr. KP Singh GM of Eastern Coalfields Limited said, "We are not aware of the exact location of the fire or where illegal mining is taking place. When the flames appear, we douse it with water." Experts blame the fires on unscientific mining and on the illegal extraction of coal. They warn that it is an environmental disaster waiting to happen.

[Source: <http://steelguru.com>]

SC asks POSCO to approach Orissa for mines

March 31, 2008: PTI reported that Supreme Court has asked POSCO to approach Orissa government for allotting demarcated mining area for its proposed INR 51,000 crore mega steel plant. As per report, a special environmental bench headed by chief justice Mr. KG Balakrishnan asked POSCO India Private Limited to approach the state to execute lease for a captive and demarcated mine. However, it was not convinced with POSCO's counsel Mr. Mukul Rohtagi's argument that state government owned Orissa Mining Corporation had agreed to supply uninterrupted iron ore and other minerals for its 12 million tonne steel project. Mr. Rohtagi said, "There is a tie up with OMC to give raw materials. The mines are not earmarked. This way the project will take 5 years to come up. The mines which have been identified are 300 kilometer away from the project site."

Senior counsel Mr. Harish Salve, who is assisting the court in the matter, said, "The POSCO's huge plant would involve a large land as it would need huge quantity of raw material." Mr. Salve cited the Vedanta Alumina case in Lanjigarh, which also faced the problem of raw material after setting up the project. Despite being commissioned, the plant was idle for the past more than 6 months due to environmental clearance for its mine.

[Source: <http://steelguru.com>]

Naxals loot explosives from SAIL mine

Raipur March 29, 2008: Naxal guerillas raided a mining facility of Steel Authority of India Limited (SAIL) in Chhattisgarh's Durg district late Thursday evening and looted about two tonnes of explosives. This is the second biggest explosives robbery from a major industrial facility in the Left insurgency-hit state. The biggest was in February 2006 when rebels raided the magazine of state-owner mining company NMDC in Dantewada district and walked away with 20 tonnes of explosives after killing eight Central Industrial Security Forces (CISF) personnel. Police sources said more than 100 armed rebels reached SAIL's Mahamaya mines in the Dallirajhara area — about 170 km

from the state capital — from where iron ore is supplied to the company's flagship Bhilai Steel Plant at about 3 pm Thursday.

“It was a well-planned attack as rebels cordoned off the area and blocked the approach roads to the mines with trucks transporting iron ore from the area,” a senior police official said. The Naxalites overpowered the SAIL officials and employees working in the mines at gunpoint before locking them in rooms. Sources said rebels stayed in the mines for more than five hours before they walked away with the explosives and other materials used for blasting. The police were informed by two employees who managed to slip out of the mines and reach Dallirajhara after traveling for two hours.

By the time the state police and CISF personnel rushed to the spot with senior officials, the rebels had escaped into the adjoining forests. They also abducted 10 SAIL officials and employees, but released them late at night after ensuring that they were in safe zone. The police were only able to confirm the incident well past midnight after SAIL officials were able to verify the quantity of explosives and other materials that had been stolen. According to SAIL officials, the Naxalites were aware of explosives reaching the mines on Thursday afternoon. The explosives are transported to the Mahamaya mines from Dallirajhara twice in a week.

Security personnel were able to clear the movement of stranded trucks from the area — covered with thick forests and hilly terrains — only today morning. More than 90 trucks were stranded with loads of iron ore, sources said. On Thursday, only 130 tonnes of iron ore could be transported to Dallirajhara against an average supply of 400 tonnes. “Mining work has been affected but normalcy had been restored,” BSP Managing Director R Ramaraju told Business Standard. Production at the plant was not affected, but SAIL has to bear a huge loss from the theft of explosives. The full extent of the loss will be known later, Ramaraju added.

[Source: <http://www.business-standard.com>]

Mining has uprooted 2.6 million people in India

Ranchi, March 29, 2008: A book by Center for Science and Environment (CSE) has raised the issue of displacement due to mining. It says that nearly 2.6 million people have been displaced between 1950 and 1991 due to mining. The book, "Rich Land, Poor People - Is sustainable Mining Possible?" was released by Centre for Science and Environment (CSE) in Ranchi on Friday. The book highlights the fact, that for every one per cent that mining contributes to India's GDP, it displaces three to four times more people than all development projects put together. According to the excerpts from the book made available to the media, it says that only 25 per cent of the total displaced people have been rehabilitated and 52 per cent of the displaced population belonged to tribal communities.

The book also states that an estimated 1,64,000 hectares of forestland have been diverted for mining in the country. It also stated that the daily water needs of more than three million people can be met easily if we ward off mining as it used 77 million tonnes of water in the year 2005-06 alone. The book also revealed that the mining of major minerals generated about 1.84 billion tonnes of waste in 2006 - most of which has not been disposed off properly and every tonne of coal extracted generates three to four tonnes of waste.

[Source: <http://howrah.org>]

Alarm bells on environment front - Investors bring in money and pollutants, warns report

Ranchi, March 28: Investors are attracted to the state, but this could lead to fatal results. At a time when several multinationals are making to beeline to set their plans in Jharkhand, director of Delhi-based Centre for Science and Environment (CSE), Sunita Narain, has warned the state government that further environment degradation could be fatal. "It comes as no surprise why so many investors are flocking to Jharkhand. The state is rich in mineral resources. But the state has to decide whether it wants to sell itself cheaply or intelligently," said Narain, while speaking to The Telegraph. "Any mistake at this juncture would make the future generation pay a heavy price in terms of environment," she added. Narain, along with other officials of CSE, was in the state capital on Friday to release its environment report on "Rich Land, Poor People — Is Sustainable Mining Possible". The report, which was released by Governor Syed Sibtey Razi, highlights alarming facts about the state of environment in Jharkhand.

The group has planned a series of nationwide releases of the report. Earlier, the report had been released in Bhubaneswar, Calcutta and Goa. Narain said Jharkhand's rivers have already been polluted to an alarming degree. The environment in the coal belt region including Jharia, Dhanbad and Bokaro among others, have suffered high degradation. "The government, considering these facts, should now ensure that industrial or mining activities allowed hereafter, should ensure preservation of the environment's health," she added. "Around 50 per cent of the people do not have access to safe drinking water," says the report.

The report also disputes the contention that mining is essential for the growth of employment. The data shows that some of the least developed and most polluted regions of state are mining hotspots. "Further mining in Jharkhand must not be allowed without the consent of the people and if the environmental and social costs outweigh its economic gains," the report suggests. Chandra Bhushan, the associate director of CSE, who was personally involved in the study in Jharkhand, said abandoned coalmines are the largest environment hazard for state. "None of the coal complexes functioning in the state are meeting a national standard in mining," he claimed. The report also said: "The state performs very poorly in terms of human development indicators. In fact, Jharkhand has the largest number of poor people (after Orissa) in the country."

[Source: <http://www.telegraphindia.com>]

Consult State Govts for Mineral Policy: BJD

Bhubaneswar, March 28 2008: The Biju Janata Dal (BJD) has demanded consultation with the concerned state governments by the Centre and framing of an appropriate policy to address the vital concerns of the mineral bearing states for value addition, fixation of royalty, generation of revenue and employment. In a memorandum submitted to the President through the Governor, BJD demanded that the Centre be asked to scrap this shortsighted policy. The Centre should be stopped from selling the precious mineral resources to international mining companies on a permanent basis.

The memorandum alleged that not only scant regard has been paid to value addition, but the Centre has also chosen to hand over the mineral resources to international mining companies. This has been done in the name of latest technologies

and foreign direct investment, as if the country does not have enough foreign exchange to buy or hire such technologies through established public sector undertakings like Geological Survey of India and Mineral Exploration Corporation, he added.

[Source: <http://www.newindpress.com>]

New Policy Likely to be Unfolded by the Indian Ministry of Mines is Set to Attract a Foreign Direct Investment (FDI) of INR5 Trillion Within 5 to 6 Years

Dublin, Ireland, March 26, 2008: Research and Markets (<http://www.researchandmarkets.com/reports/c86781>) has announced the addition of Indian Mining & Exploration 2008 to their offering.

The Indian mining sector's contribution to the country's GDP is expected to rise to almost 5% in five years from its current share of 2.8% of the GDP. It is estimated that there are more than 590 fuel mineral mines working in India of which coal mines dominates the sector with more than 80% share and the balance 20% is in various metals and other raw materials such as gold, copper, iron, lead, bauxite, zinc and uranium. Of the 89 minerals produced in India, 4 are fuel minerals, 11 metallic, 52 non-metallic and 22 minor minerals.

The mineral production (excluding atomic minerals) during 2006-07 in value terms is estimated at INR878.66 billion compared to INR839.38 billion in 2005-06, registering growth of 4.68% during 2005-2007. Foreign Direct Investment (FDI) is steadily flowing into the sector on par with the stepped up FDI inflow in other developing regions such as Brazil and South Africa. The FDI in Indian mining sector was INR16,629.41m in 2007 as against INR146.19m in 2006, registering a growth of 1,041% respectively.

New mining policy likely to be unfolded soon by the ministry of mines is set to attract a foreign direct investment (FDI) of INR5 trillion within five to six years of introduction. Industry Insight - Mining & Exploration is prepared keeping in mind the backdrop of the mining industry's future prospect. The report gives a broad overview of the mining and exploration in India with a brief reference to global mining activities, various segments of the minerals and its reserve, status of select mineral rich states in mining.

Mining & Exploration report provides introduction towards minerals in India and also provides status in selected states in India. Mining & Exploration report profiles 13 major players in mining and exploration (two oil exploration companies are covered).It also provides information about the regulations in the mining & minerals industry along with information on other countries involved in mining. At the end the report on mining & Exploration provides future outlook of the Industry.

Companies Mentioned:

- Reliance Industries Limited
- Oil and Natural Gas Corporation Limited
- National Aluminium Company Limited
- Coal India Limited
- Singareni Collieries Company Limited
- Tata Steel
- Hindalco Industries

Steel Authority of India Limited
Mineral Exploration Corporation Limited
Hindustan Copper Limited (HCL)
Hindustan Zinc Limited
Neyveli Lignite Corporation Limited
National Mineral Development Corporation Limited

[Source: <http://www.streetinsider.com>]

China's pollution nightmare is now everyone's pollution nightmare

The environmental disaster springs largely from its emulation of the American way of life – so let's set a better example.

By Jacques Leslie

from the March 19, 2008 edition

The emergence of China as a dominant economic power is an epochal event, occasioning the most massive and rapid redistribution of the earth's resources in human history. The country has also become a ravenous consumer. Its appetite for raw materials drives up international commodity prices and shipping rates while its middle class, projected to jump to 700 million by 2020, is learning the gratifications of consumerism. The catch is that China has become not just the world's manufacturer but also its despoiler, on a scale as monumental as its economic expansion. A fourth of the country is now desert. More than three-fourths of its forests have disappeared. Each year, uncontrollable underground fires, sometimes triggered by lightning or mining accidents, consume 200 million tons of coal, contributing massively to global warming. A miasma of lead, mercury, sulfur dioxide, and other elements of coal-burning and car exhaust hovers over most Chinese cities.

Meanwhile, roughly 70 percent of the world's discarded computers and electronic equipment ends up in China, where it is scavenged for usable parts and then abandoned, polluting soil and groundwater with toxic metals. If unchecked, such devastation will not just put an abrupt end to China's economic growth, but, in concert with other environmentally heedless nations (in particular, the US, India, and Brazil), will cause mortal havoc in societies and ecosystems throughout the world.

The fallout

The process is already under way. Acid rain caused by China's sulfur-dioxide emissions severely damages forests and watersheds in Korea and Japan and impairs air quality in the US. Every major river system flowing out of China is threatened with one sort of cataclysm or another. The surge in untreated waste and agricultural runoff pouring into the Yellow and China Seas has caused frequent fish die-offs, and over fishing is endangering many ocean species.

The growing Chinese taste for furs and exotic foods and pets is devastating neighboring countries' populations of everything from gazelles to wolves, and turtles to parrots, while its appetite for shark fin soup is causing drastic declines in shark populations throughout the oceans. According to a study published in *Science* in March 2007, the absence of the oceans' top predators is causing a resurgence of skates and rays, which are in turn destroying scallop fisheries along America's Eastern Seaboard. Enthusiasm for traditional Chinese medicine is causing huge declines in populations of

hundreds of animals – including tigers, pangolins, and sea horses. Seeking oil, timber, and other natural resources, China is building massive roads, bridges, and dams throughout Africa, often disregarding international environmental and social standards.

China has also depended on imports of illegally cut wood in becoming the world's wood workshop, supplying oblivious consumers in the US and Europe with furniture, flooring, and plywood. Chinese wood manufacturers have already consumed the natural forests of Thailand, Cambodia, and the Philippines, and at current rates will swallow the forests of Indonesia, Burma, Papua New Guinea, and the vast Russian Far East within two decades. Most of these forests are formally protected by law or regulation, but corruption and ineffectual enforcement have fostered a flourishing illegal trade.

China has probably already overtaken the US as the world's leading emitter of CO₂, and the country's ecosystems are displaying climate change's consequences: Arid northern China is drying out, the wet south is seeing more and more flooding, and, according to a June 2007 Greenpeace report, 80 percent of the Himalayan glaciers that feed Asia's mightiest rivers could disappear by 2035. Such a development would jeopardize hundreds of millions of people who depend on the rivers for their livelihood.

Nevertheless, China has maintained that the developed countries bear primary responsibility for global warming and must be the first to counter it. The argument has some merit: After all, the US alone is responsible for a quarter of the man-made greenhouse gases pumped into the earth's atmosphere over time, while China's cumulative contribution is still less than a third as much. And even today, China's per capita carbon-dioxide emissions are less than a fifth of America's. Yet China's refusal to curb emissions soon could single-handedly wipe out reductions made elsewhere, crippling the international effort.

All this is common knowledge among those who follow Chinese environmental trends. Still, the news has not shaken China out of its money-induced euphoria. One likely reason is that China's growth rate takes no account of the environmental devastation the boom has caused. In 2006, an official at China's State Council said environmental damage (everything from crop loss to the price of healthcare) cost 10 percent of its gross domestic product – *all of the economy's celebrated growth*. Vaclav Smil, a highly respected China scholar at the University of Manitoba, pegs both the environmental-damage rate and the growth rate closer to 7 percent, "so basically every year environmental damage wipes out the GDP growth," Mr. Smil says.

Who's to blame

Of course, what the Chinese are chiefly guilty of is emulating the American economic model. Since the 1980s, Chinese policymakers have gone on foreign-study missions to figure out how developed countries fostered economic growth. As Doug Ogden, former director of the Energy Foundation's China Sustainable Energy Program, puts it, "It's not surprising that the lessons the Chinese drew from their international experiences are often based on sprawl development, private automobile ownership, and highly energy-consumptive practices," since the economies they studied all possess those. One of the Chinese officials' most fateful choices was to promote the automobile industry as a pillar of China's economy. The decision must have seemed obvious. After all, cars are the foundations of the American, Japanese, and South Korean economies, generating economic activity.

Now China's car industry is the world's third largest, but many of its cities are paralyzed by traffic, the inhabitants are choking on the fumes, and China's foreign policy increasingly revolves around courting outcast nations such as Sudan to obtain oil at premium prices. From an international perspective, the potential impact on climate change is worst of all. Motor vehicles now account for no more than 3 or 4 percent of China's greenhouse-gas emissions, but the industry is still nascent. According to one projection, the number of cars on Chinese roads will grow from 33 million to 130 million during the next 12 years.

What now?

The United States passed up the opportunity it had at the beginning of China's economic transformation to guide it toward sustainability, and the loss is already incalculable. But what is left is the one option that would have served Americans (and the world) best all along, which is to model environmental sanity.

Stop buying products made from illegally cut wood. Stop building coal-fired power plants. Instead of subsidizing oil companies, promote sustainable-energy technologies. Build effective mass-transit systems in every city. Make drastic cuts in greenhouse-gas emissions. Such acts would not just revive our capacity for moral suasion; given the breadth of the world's environmental crisis, they are prerequisites for self-preservation.

• *Jacques Leslie is an environmental writer and the author of "Deep Water: The Epic Struggle Over Dams, Displaced People, and the Environment." This piece was adapted from one published in Mother Jones magazine.*

[Source: <http://www.csmonitor.com>]

Mining lease renewal in auto mode, panel to study options

New Delhi, 19 March, 2008: The central government plans to clip the powers of states diverting from the principle of providing automatic extension to any proposal for renewing mining leases. It is planning to constitute an independent committee of experts that would recommend whether licences of original allottees of a mineral block should be renewed or not, bypassing the jurisdiction of the states. The state governments would have to abide by the recommendations of the committee. "The new mineral policy has proposed continuation of the present system of automatic renewal of mineral leases. However, we are considering constitution of an independent committee to do fair assessment of the mine development activities of original allottees, before deciding the fate of renewal applications," an official source told ET.

"The new policy has also proposed a system of seamless licensing. The purpose of the proposal would be defeated if states are allowed to cancel any renewal application insisting that licence holders should undertake value addition within the state," the source added. Under the present system, mining lease applications are automatically renewed upon expiry. The states were seeking additional powers to cancel renewal applications if it was not accompanied by an undertaking that minerals extracted would be used for value-addition within the state. The move would have not only given additional powers to states but also ensured higher revenues by way of larger financial commitments from the mining lease holders.

The proposed committee of experts is likely to draw membership from government bodies like Geological Survey of India (GSI) or Indian Bureau of Mines

(IBM). All renewal applications would be routed through this committee state governments would be guided by the committee's assessment while renewing licences. State would have to give strong justification for cancelling any renewal applications and could not deny any application on the grounds that original licence is not undertaking value-addition within the state. The new policy has also not accepted demands from mineral-rich states to postpone auctioning of mineral blocks for the time being. It has proposed auctioning of mining block that have already been prospected by state agencies like GSI. For these blocks, the present system of a government committee (state) assessing the applications and granting licence would be dispensed. Once implemented, this system could provide an alternative route to large companies to get mining rights for a new field on the basis of aggressive bidding. They would not have to wait for government to decide on their mining applications.

[Source: <http://economictimes.indiatimes.com>]

Jharkhand HC adjourns hearing on Chiria lease dispute

March 17, 2008: Ranchi Express reported that Jharkhand High Court has adjourned hearing on Chiria Gua iron ore mining lease dispute for another two months. The court adjourned the hearing after it was informed that the Supreme Court had stayed the HC's order of September 25th 2007 by which a request of the Steel Authority of India Limited for constitution of a committee to resolve the issue outside the court had been quashed. The apex court on January 9th 2007 had stayed the HC's order and issued notices to the respondents, including the State of Jharkhand.

[Source: <http://steelguru.com>]

EFIC Bulletin Reports on Mining and Mineral Exploration in India

March 17, 2008: The Australian Government's export credit agency Export Finance and Insurance Corporation (EFIC) reports that mining and mineral exploration in India faces a growing threat: Naxalites. Many of India's prime undeveloped mineral deposits lie in areas where these maoist rebel guerrilla groups have their strongholds. The rebels have made a point of targeting mining interests. Having grown in strength and cohesiveness in recent years, the rebels now present a serious threat to the political order, Export Finance and Insurance Corporation (EFIC) senior economist Ben Ford says in the corporation's new World Risk Developments report. "The rebels are taking advantage of discontent with industrialisation and uneven economic development to broaden their activities into urban areas and regional politics. This could hinder the government's ambitious plans to expand mining and heavy industry," Ben Ford says. Attacks have taken place in the resource-rich provinces of Orissa, Andhra Pradesh and Jharkhand. A recent attack on a police armoury in Orissa left 18 dead with the rebels stealing a large cache of weapons and ammunition.

"Prime Minister Manmohan Singh in his 2006 Independence Day speech identified Naxalites and terrorists as the two main internal threats facing India. Naxalite attacks claimed 160 lives last year - more than any other form of political violence in India," Ben Ford comments. The Naxalites are engaged in a violent struggle against what they regard as social injustice and economic inequality. Naxalites are tapping growing rural resentment of the increasingly visible wealth divide between city and country and concerns about rapid industrial development, especially plans to establish special

economic zones. The Export Finance and Insurance Corporation (EFIC) report also covers other risks to international mining companies, particularly artisanal gold diggers in Ghana, power shortages in South Africa, resetting of licence terms in the Congo (Dem Rep), and nationalisation in Zimbabwe. Export Finance and Insurance Corporation (EFIC)'s World Risk Developments bulletin provides regular assessments of developments in the world economy and emerging markets.

[Source: <http://www.ferret.com.au>]

FDI policy for mining of titanium bearing minerals & ores

March 17, 2008: India has large reserves of beach sand minerals in the coastal stretches. Titanium bearing minerals like ilmenite, rutile and leucosene and zirconium bearing minerals including zircon are some of the beach sand minerals which have been classified as prescribed substances under the Atomic Energy Act 1962. Under the Industrial Policy Statement 1991, mining and production of minerals classified as prescribed substances and specified in the Schedule to the Atomic Energy Order, 1953 were included in the list of industries reserved for the public sector. Vide Government of India Resolution No. 8/1(1)/97-PSU/1422 dated October 6th 1998 issued by the department of atomic energy laying down the policy for exploitation of beach sand minerals, private participation including foreign direct investment, was permitted in mining and production of titanium ores and zirconium minerals. FDI up to 74% was permitted with prior approval of the government in pure value addition projects without mining and mineral separation as well as integrated projects comprising both mining & mineral separation and value addition.

Vide government of India notification No. S.O.61 (E) dated January 18th 2006, department of atomic energy re notified the list of prescribed substances under the Atomic Energy Act 1962. Titanium bearing ores and concentrates and zirconium, its alloys and compounds and minerals concentrates including zircon, were removed from the list of prescribed substances.

On a review of the extant policy on FDI, government of India has now decided as under:

1) FDI up to 100% will be allowed with prior government approval in mining and mineral separation of titanium bearing minerals & ores, its value addition and integrated activities subject to sectoral regulations and the Mines & Minerals Development and Regulation Act 1957.

2) FDI for separation of titanium bearing minerals & ores will be subject to the following additional conditions

3) FDI will not be allowed in mining of prescribed substances listed in the Government of India Notification No. S.O. 61 (E) dated January 18th 2006 issued by the department of atomic energy.

4) FDI Policy announced vide annex to press note 4(2006) dated February 10th 2006 stands modified to the above extent.

[Source: <http://steelguru.com>]

Hill Tribes hold Sacred Rites: Ritual Fruits, Animals to appease Niyam Raja

Bhubaneswar, March 16, 2008: The sleepy village of Ijurpa near Lanjigarh on the foothills of Niyamgiri hills is abuzz with activities for the second time this month. On March 7, hundreds of Dangaria Kandha, a primitive tribe that live on the Niyamgiri hills, had congregated to greet AICC leader Rahul Gandhi. This time the tribals have assembled to conduct a mass ceremony to “appease” Niyam Raja, a name they use for the Niyamgiri hills that has been “disturbed” by mining. Dangaria Kandha and other tribals from 300-odd villages of Kalahandi and Rayagada have been offering puja to Niyam Raja and Dharani Penu (Mother Earth) since yesterday. Residents, accompanied by janis (priests) and bhejens (priestesses) have been offering rice, chickens, goats, fruits and water to a stone and a wooden pillar that symbolises Niyam Raja and Dharani Penu, respectively. The ritual offering has been followed by all-night dancing to the beats of drums and dhampa, a traditional instrument. “Niyam Raja has been angry, as he has been disturbed by the industrial activities (IMT alumina refinery is being set up by Vedanta Alumina in Lanjigarh),” said Jilu Majhi, a priest. “I have been dreaming of Niyam Raja. He told me that he was irritated and asked us to conduct a ceremony to calm him down,” added Gata Majhi, a priestess. Priests and black magicians from 30 villages had sat together recently and fixed March 15-16 as the auspicious dates, conceded Natha Majhi, a priest.

The two-day ceremony has a second purpose. It’s being held to draw the world’s attention to the threat to tribal culture, beliefs and a place of worship —if Vedanta is allowed to start the refinery there. “Just as it is unthinkable of shifting Jagannath Temple, sacred sites of India’s indigenous people cannot be moved or replaced. Niyamgiri is an integral part of Kandha religion,” said a social activist, who expresses solidarity with the struggle of Dangaria Kandhas to save their sacred hills. Niyamgiri, spread over 670-hectares, is one of Orissa’s last core areas of unspoilt forest. With a religion rooted in nature, Dangaria Kandhas understand that the mountain is the source of their life. “For us it’s a matter of life or death. Niyam Raja is under threat and with him our land, livelihood and way of life is also under threat,” said Phulme Majhi, a tribal.

Legal experts feel that the industrial and mining activities in Niyamgiri will undermine the constitutional rights of Dangaria Kandha. “They have a constitutional right to territorial integrity, decide on their own path of development and the right to religious practices and beliefs,” stressed Prashant Bhushan, an advocate in the Supreme Court and a campaigner for “Judicial Accountability and Judicial Review”. “If mining is permitted on the hills, it will result in irreparable loss to livelihood, culture and religion of Dangaria Kandha, which has a population of 7,952 only,” said Siddharth Nayak. Nayak is a lawyer and convenor of Kalahandi Sachetan Nagaraika Manch that had filed a petition in the Supreme Court on behalf of the tribals.

[Source: <http://www.telegraphindia.com>]

Glaciers melt 'at fastest Rate in Past 5,000 Years'

March 16 2008: The world's glaciers are melting faster than at any time since records began, threatening catastrophe for hundreds of millions of people and their eco-systems. The details are revealed in the latest report from the World Glacier Monitoring Service and will add to growing alarm about the rise in sea levels and increased instances of

flooding, avalanches and drought. Based on historical records and other evidence, the rate at which the glaciers are melting is also thought to be faster than at any time in the past 5,000 years, said Professor Wilfried Haeberli, director of the monitoring service. 'There's no absolute proof, but nevertheless the evidence is strong: this is really extraordinary.' Experts have been monitoring 30 glaciers around the world for nearly three decades and the most recent figures, for 2006, show the biggest ever 'net loss' of ice. Achim Steiner, head of the UN Environment Programme (UNEP), told The Observer that melting glaciers were now the 'loudest and clearest' warning signal of global warming. The problem could lead to failing infrastructure, mass migration and even conflict. 'We're talking about something that happens in your and my lifespan. We're not talking about something hypothetical, we're talking about something dramatic in its consequences,' he said

Lester Brown, of the influential US-based Earth Policy Institute, said the problem would have global ramifications, as farmers in China and India struggled to irrigate their crops. 'This is the biggest predictable effect on food security in history as far as I know,' said Brown. Based on the Intergovernmental Panel on Climate Change's mid-range prediction that global temperatures will rise 2C above their long-term average, UNEP last year warned of further dramatic declines in glaciers by the end of the century. The revelation that the world's glaciers are in retreat came as Tony Blair began a series of high-level environmental meetings in Japan, China and India as the leader of a new international team charged with securing a global deal on climate change. In a speech yesterday in Chiba, Japan, Blair said that the world now faced catastrophe. 'We have reached the critical moment of decision on climate change,' he said. 'Failure to act now would be deeply and unforgivably irresponsible. The scale of what is needed is so great that the purpose of any global action is not to ameliorate or to make better our carbon dependence; it is to transform the nature of economies and societies in terms of carbon consumption and emissions.

'If the average person in the US is, say, to emit per capita, one-tenth of what they do today and those in the UK or Japan one-fifth, we're not talking of adjustment, we're talking about a revolution.' The key to that revolution was a vastly increased use of nuclear power across the world, he added. Blair is also scheduled to meet Yasuo Fukuda, Japan's Prime Minister, and members of the Indian and Chinese governments.

[Source: <http://www.guardian.co.uk>]

India: Betrayed Innocence for "Development"

March 15, 2008: Everything has changed in the last 60 years of independence in India but the unending pain of "displacement" has become as part and parcel of the life of 50 years old Satish Kishku of Takkipur village, situated near Canada Dam widely known as Mayurakshi Dam of Dumka district in Jharkhand. Kishku's family was displaced for the first time when he was merely 10 years old. The family had more than enough land for sustaining their generation for years. But their land was acquired for the Dam and the family was given merely 2 acres of land with little money in the name of rehabilitation. The remaining amount of compensation is still hanging in the government office. Now Satish Kishku lives in a small hut with 10 members of his family including his grandchildren and earns livelihood from daily wages.

Satish Kishku had lost his mental balance in February last year when the government officials had gone to conduct survey in his village as the state government of Jharkhand has proposed a Steel Plant in the areas, where 12 villages including Satish Kishku's village Takipur, Kulvanti, Ektala, Sukhjoda and Naraungi village of Ranewar block will face the agony of displacement once again. All these 12 villages were rehabilitated out of 144 villages, which submerged in the Mayurakshi Dam in 1967. The irony is that the Dam was constructed for the irrigation purposes but water does not reach to the rehabilitated villages because water supply has been stopped since 1993 but at the same time, the water has regularly been supplied to the state of West Bengal. The electricity, health and sanitation facilities are not available in these villages.

Most of the displaced families across the country have more or less the same pathetic story as Satish Kishku has. Those who surrendered their land, forest, water, culture and identity for the Dam, Industry, Mining and development projects are struggling for survival today. Their children are with bare back, empty stomach, malnourished, illiterate and without shelter today. And those who resisted against it were coined as the "Anti National" or "Naxalites" so that the ruling elites can get a license to kill them and nobody can question about their cruel and inhuman acts. In both the cases tribals, Dalits and Poor are the losers. But does it mean that these people will stop claiming their ownership rights over land, forest and water, which their ancestors have protected for them?

The 60 years of independence has taught many lessons to the displaced people about the politics of development, displacement and rehabilitation therefore this time they are determined not to surrender their livelihood resources at any cost for the sake of development though the governments promise them for a rehabilitation package. According to Satish Kishku, the "rehabilitation package" is the most dangerous weapon to betray the poor. He questions that how can trees, culture and identity be rehabilitated from place one to another? Now he is putting hard work to mobilized people under the banner of "Krishi Bhumi Raksha Samity" and fighting against the displacement proposed by the state government of Jharkhand at Ranewar.

He was one among those 10 thousand displaced people of Jharkhand, Orissa, West Bengal, Bihar and Manipur, gathered at Rourkela on 9 March, 2008 to raise their voices, share the agony of displacement and chock out their strategy for the struggle against displacement, SEZ Policy and communal fascism. Their core slogans are "Stop displacement in the name of development", "Jindal, Mittal, Tata and Bata go back", "Withdraw the unjust SEZ policy", "We will neither give our life nor land" and "Don't kill people in the name of religion". These people have taken pledge not to give even one inch of land for Industry, Dam, Mining, Power Plant and any other development project. The three leading alliances Crej Jan Mukti Andolan, Voice for Child Rights and Nafre Jan Andolan are facilitating the whole processes to unite villagers, People's Organizations and people's movements in a platform to challenge the unjust policies of the state and central governments.

The Convener of Crej Jan Mukti Andolan K.C. Mardi who played a crucial role in throwing out Jindal Steel, Bhushan Steel and Essar Steel from the Kolhan areas of Jharkhand last year says that the 60 years of Independence has only given tears to the tribals and local inhabitants. They are betrayed in the name of development therefore we have taken pledge for not giving even an inch of land for Industry, Dam and Mining. The

member of Nafre Jan Andolan Lakhi Das says, "We oppose the corporate development model and SEZ policy, which induce displacement, destroy the livelihood resources, culture and identity of tribal and poor therefore now we are determined not to lose our remaining livelihood resources for the sake of development".

But the fundamental questions are that why people do not want to give their land for the Industries, Dam and development projects? Why they are throwing out Jindal, Bhushan and Essar Steels from their land, which can provide them job? And why people are raising their voices everywhere against displacement and SEZ policy in the country? One must have to go back to the history of displacement to understand that why these people are against of development projects today. One would be shocked to see the data which suggests that after the independence, approximately 3 crore people were displaced for setting up the Power Plants, Irrigation Projects, Mining Companies, Steel Industries and many more development projects in the country. Among them, 40 percent displaced people are tribals and 20 percent are Dalits, which means the 60 percent displaced people are from the marginalized communities, who sacrificed everything for the sake of the "development" but they are still untouched of the development.

The data of Jharkhand shows that 24,15,698 acres of land were acquired in the name of development, where 17,10,787 people were displaced. In every project approximately 80 to 90 percent tribals and local people were displaced. Merely 25 percent people were halfway rehabilitated but there are also in the miserable conditions and no one has any idea about the rest of 75 percent displaced people. The benefits of all these development projects were only enjoyed by the Landlords, Project Officers, Engineers, Contractors, Beaucrats, Politicians and outsiders.

Another thing is that there are numerous laws made for protection of the rights of underprivileged people but these were never enacted honestly. The Chotanagpur Tenancy Act 1908 and Santhal Pargana Tenancy Act prohibit the sale and transfer of tribal land to non-tribals but the land were snatched from tribals in the name of development. The constitutional rights, provisions for the sixth scheduled Areas and the Extension of Panchayat Act 1996 were never been implemented with the true spirit in the tribal regions. The ruling elites always misused these laws for their benefits.

The government of India is unable to make the rehabilitation policy even after the 60 years of independence but SEZ policy was introduced. Similarly, when the Jharkhand state was created the first chief minister Babulal Marandi brought the Industrial Policy and his successor Arjun Munda even went two steps forward and created history in signing MoU but at the same time, the same state is not able to make a rehabilitation policy even after 7 years. This is why the intention of the state was always questioned and the people are resisting against displacement everywhere. The people were displaced from one place to another in the name of development but they were not rehabilitated. Hence they feel that they are betrayed in the welfare state in the name of "development". The marginalized people of this country have lost their faith on the governance that is the major shift, where they are firmly decided not to allow laying down the foundation of the corporate development model over their graves.

The displacement is not just shifting people from one place to another but it is destruction of their livelihood resources, culture and identity, which they develop by nourishing for the ages. The resources are sold at market rate and production power of the poor has been changed into service providers. Those who were engaged in producing

grains now work as domestic workers, care takers of bigwigs and daily wage labourers therefore it is indeed need of the hour to rethink on the present development model because the "state" is duty bound to create atmosphere where people can enjoy their rights and privilege guaranteed by the constitution of India.

[Source: <http://www.mynews.in>]

Government allows Companies to trade Mineral Licences Freely

New Delhi, March 15, 2008: In what may provide a major boost to investment — including overseas flows — in the mining sector, the government has allowed companies to trade mineral licences freely. This would mean that companies interested only in prospecting need not undertake mining but sell the licence to a company interested only in mining. The proposal has been included in the new mineral policy that was cleared by Cabinet on Thursday. “The new policy has proposed a major change by way of decoupling mineral lease licences. This would bring more focus as companies with expertise in prospecting need not undertake mining. They can sell their licence to another company. We expect the change would allow flow of investments from South Africa, Canada and Australia where companies have shown interest in bringing their technical expertise required for identifying the potential of a mining block,” an official source said.

Transfer of prospecting licence is permitted by several countries. The international practice is being adopted here with the intent of bringing over \$2 billion investment in the sector in the next few years. The move would also result in better yields from mining blocks by use of better technologies. The much-delayed policy has tried to balance the aspirations of mineral-rich states who were opposed to certain provisions in the policy by retaining their rights to give preference to value addition (within the state) and PSUs while granting mineral leases. While using this system of preference, the state would be bound to offer mineral lease to applicants not belonging to state if there are no applicants for value addition within the state. For renewal of a mining licence, the Centre may constitute an independent committee of experts, may be from Geological Survey of India (GSI) or IBM. The committee would assess the performance of the original allottee before recommending renewal of the licence. The state could not deny the renewal by seeking value addition within the state.

In another reform initiative, the new policy has permitted auctioning of a mining block that has been prospected (potential of mining block identified) by state agencies like GSI. For these blocks, the present system of a government committee assessing the applications and granting licence would be dispensed with. States would, however, be free to offer exploratory licence for new mining blocks. The policy has also put responsibility on the mining companies for undertaking local area development and other infrastructure projects in the mine-bearing areas. At least 10% of the profits would be used for the purpose.

[Source: <http://economictimes.indiatimes.com>]

India should concentrate on Stopping Deforestation: Sonia

New Delhi, March 15, 2008: Pitching strongly for protection of the environment, Congress President Sonia Gandhi on Saturday said the country should concentrate on stopping deforestation and controlling the effects of growing human population. "While we won't be able to turn around the effects of global warming now, we should

concentrate on stopping deforestation, effects of growing human population and infrastructure building," Gandhi said at the 80th anniversary celebrations of the Himalayan Mountaineering club here. "We need to be aware that people in large numbers whether pilgrims, soldiers or visitors all have contributed to environmental degradation," she said. Gandhi sought public-private partnerships to help save the environment and asked NGOs to contribute towards improving the lives of people living in hilly areas. Union Sports Minister Mani Shankar Aiyar called for inclusion of mountaineering in the sports category and asked for an increased allocation for sports in the country. Gandhi along with other dignitaries watched a film on the Himalayan Club.

[Source: <http://www.hindu.com>]

Major Emitters Tag upsets Poor Nations at G20 Talks

Makuhari, Japan, March 15, 2008: Developing countries urged rich states on Saturday to be clear about funds to fight global warming and said the label "major emitters" for nations like India and Brazil was unfair. Twenty of the world's top greenhouse gas emitters were meeting in Chiba, near Tokyo, to discuss ways to reach a global pact to curb rising carbon dioxide emissions by the end of 2009. Former British Prime Minister Tony Blair urged G20 members to launch a revolution to fight climate change. "We have reached the critical moment of decision on climate change. There are few, if any, genuine doubters left," Blair told G20 energy and environment ministers and announced a new initiative to try to work out the shape of a global agreement. About 190 nations agreed last December in Bali to thrash out a replacement to the Kyoto Protocol, which expires in 2012, but differences between rich and poor states over funding, technology transfer and binding emissions targets remain. South Africa, Indonesia, India and Brazil told the meeting they objected to the term "major emitters" since on a per-capita basis, their carbon emissions were a fraction of the roughly 24 tonnes of carbon dioxide equivalent produced by the average American. Washington says it will accept binding commitments to cut emissions if "major emitting nations" signed up too.

President George W. Bush has initiated a separate process outside U.N.-led talks to engage many of the G20 members, a process some developing nations have expressed doubts about. G20 members, which include G8 nations, are responsible for about 80 percent of mankind's greenhouse gas emissions.

Fund Fight

South African Environment Minister Marthinus van Schalkwyk told Reuters it was crucial developing nations had greater involvement in the management of clean technology funds. Bush has pledged \$2 billion to the fund over the next three years, while Britain has pledged part of its 800 million-pound (\$1.6 billion) Environmental Transformation Fund and Japan has announced the creation of a \$10 billion financial mechanism to support developing countries. But van Schalkwyk said it was only in the past few weeks that developing nations had even been consulted on the fund, to be administered by the World Bank. It was also unclear if the money was new. "A number of countries voiced quite strongly their concerns about how these funds will be run," said Ailun Yang of Greenpeace China. "Our position is that this is not a kind of charity. It is funding in which implementation is closely linked to the post-2012 agreement, so this has

to be done in a much more respectful way and have more consultation with developing countries," she said.

Japan is promoting the concept of sectoral emissions targets for industry at the talks but this, too, has run into problems, with Europe and some developing nations questioning the concept. "The sectoral approach cannot replace the national binding targets under the UNFCCC," said Tomaz Jersic, deputy economy minister of Slovenia, which holds the six-month rotating presidency of the European Union, referring to the peak U.N. convention on tackling climate change. "Not every country has the same position to develop this approach." India also voiced concerns. "It is something on which there is not yet clarity on what it will look like," said Indian delegate Ajay Mathur. "So it is very difficult to say whether we will support it or not at this time." Blair said a new initiative was needed to inform and advise the U.N.-led talks and he would lead the work politically. He said the Climate Group, a non-profit body backed by industry and government, would assemble a group of experts to try to sketch out what a global deal would look like. "We will publish a report in June before Japan's G8 summit and then carry on the work so that we can feed a final report into the G8 and U.N. negotiations next year," he said.

[Source: <http://www.reuters.com>]

India Officials to meet on Mine Royalties in 2 Weeks

New Delhi, March 14, 2008: Officials from India's federal government and mineral-rich states will meet in two weeks to try and hammer out an agreement on how royalties will be charged under a new mining policy, government and trade sources said on Friday. State governments and a panel of experts have suggested switching from a flat rate on minerals to royalties based on their value, possibly eating into miners' margins but handing local governments a lot more money for their natural assets. But the idea did not feature in a new set of regulations for the mining sector, which aims to lure cash-rich overseas investors and raise output and which was approved by senior ministers late on Thursday. "They have deferred the issue of higher royalties for a fortnight," a senior mining ministry official, who did not want to be identified, said.

Several of India's states with rich mineral deposits are among the poorest in the country, and officials say current royalties are an inadequate payment for their resources. "We are highly dissatisfied and we will raise this issue. We are waiting for a copy of the policy that has been approved by the central cabinet," said Damodar Rout, secretary general of mineral-rich Orissa state's ruling Biju Janata Dal party. "It appears that we are the losers and our claims and rights have been ignored." Industry officials say introducing a value-based system could mean royalty payments by miners rise by as much as 125-150 rupees (\$3.08-\$3.70) on a tonne of iron ore, for example, from the current flat rate of 27 rupees. Miners say that will increase their export prices. The new mining policy, held up for nearly two years by wrangling between federal and state governments, will shorten the time it takes for new mining leases to be granted to about six months to a year. The government wants to make it operational within six months, easing what can be a long and tortuous process.

"The implementation of National Mineral Policy 2008 would be likely to attract foreign direct investment of \$250 million per annum in the mining sector by the end of five years," a government statement said. It added that a tribunal would be set up for

resolving disputes. Under the new guidelines, foreign and domestic firms should find it easier to invest in the exploration and mining of gold, diamonds and metals like copper and zinc, and prospecting companies will automatically obtain a mining licence. India produces 89 minerals, out of which 11 are metallic and 52 non-metallic. The country is estimated to have 2.92 billion tonnes of bauxite, or 10 percent of the world's reserves, and 276 billion tonnes of coal. It also has 14,000 tonnes of gold reserves, but the country only produces three tonnes of total annual demand of 800 tonnes.

Industry officials say the country's iron ore reserves of 23 billion tonnes were a key factor attracting steel majors like South Korea's POSCO (005490.KS: Quote, Profile, Research) and world No. 1 Arcelor Mittal (ISPA.AS: Quote, Profile, Research) to the country, but securing mining leases remained a major hurdle. (\$1 = 40.47 rupees)

[Source: <http://www.reuters.com>]

India has Conducive Environment for Gold Mining

New Delhi, March 14, 2008: Stating that India has a conducive environment for the mine and mineral sector, the Minister of State for Mines, T. Subbarami Reddy, called upon the World Gold Council to invest in the gold mining sector. "The consumption of gold is at an all-time high in India. The Government has taken a constructive approach to fuel growth in the mining sector and is looking to open investment in gold mining," he said, adding that the WGC should ask entrepreneurs to bring in technology to promote investment in the sector. Speaking at the meeting, James Burton, Chief Executive, WGC, said, "We hope the policies in the sector will be favourable for it to flourish in India."

The price factor

On the fluctuating gold prices, he said the drop in the dollar rate is a major contributing factor besides the US sub-prime crisis. He, however, declined to comment on whether the prices will stabilise. Burton also noted that the WGC is looking to cross-list its New York-listed StreetTRACKS Gold Shares, a gold exchange-traded fund (ETF), in Japan and Hong Kong by September. Sanjiv Batra, Chairman of MMTC, said the potential of gold mining is very good in India. However, foreign companies in the sector were seeking clear guidelines regarding leasing agreements. He also said the Government is also looking at setting up a regulator on the lines of the telecom industry.

[Source: <http://sify.com>]

India approves National Mining Policy

March 14, 2008: India's cabinet has approved much awaited National Mining Policy for attracting investments by foreign and domestic companies in the country's mining sector. Now the government will introduce a bill to amend the Mines & Minerals (Development & Regulation) Act of 1957, MCR Rules of 1960 and MCDR of 1988 to give effect to the new policy. A government spokeswoman said "The policy was given in principle approval by the Cabinet as recommended by the high level committee together with modifications on the basis of consultation with state governments, inter-ministerial consultations and in line with recommendations of the Group of Ministers." Under the new guidelines, foreign and domestic firms should find it easier to invest in the exploration and mining of gold, diamonds and metals like copper and zinc, and prospecting companies will automatically obtain a mining license.

The new policy will shorten the time it takes for new mining leases to be granted by state and federal governments to about six months to a year. After the period proposed in the policy, applications will be automatically referred to a tribunal. Mr Deepak Sandhu a government spokeswoman, told reporters that the policy, which replaces a five decade old law, will help secure USD 250 million of investments annually by the end of five years. The cabinet also gave its approval for setting up an independent dispute resolution mechanism Mining Administrative Appellate Tribunal.

[Source: <http://steelguru.com>]

India sitting on a Gold Mine, Literally!

March 14, 2008: Historically Indians have had a fascination for gold and diamond jewellery. For centuries gold and diamonds have been regarded as the safest investment. TIMES NOW learnt that surveyors have confirmed that there is a huge existence of gold and diamond deposits in vast unexplored territories on the country. For a while, the Kohinoor bedazzled India, but though Indians are regarded as the largest buyers of jewellery in the world, the country itself was deficit in gold and diamond desopits. However, that is about to change because believe it or not, India is just not sitting on several gold mines but many diamond mines as well.

According to information available with TIMES NOW, the Indian government struck gold after a survey by geological experts threw up astonishing figures. Information of acres of unexplored territories hiding precious metal was revealed to the government. According to government sources, many exploration firms showed that gold was found in about 80 places including in Rajasthan and Karnataka. In detail, gold was found in Banswara in Rajasthan and Mysore in Karnataka. Diamond ores were found in Madhya Pradesh and Chhattisgarh. Statistics which if true, could perhaps metaphorically result in proverbial gold rush akin to the type witnessed in the 19th century in the United States, with big MNCs like De beers and Rio Tinto looked to cash in. The government however have done its bit to facilitate the gold rush by relaxing laws as far as the mining lease is concerned.

[Source: <http://www.timesnow.tv>]

India's Cabinet approves New Mining Policy

New Delhi, March 13, 2008: India's cabinet approved a long-delayed mining policy on Thursday that will ease investments by foreign and domestic companies in the country's mining sector. The new policy, delayed for nearly two year by wrangling between federal and state governments, will shorten the time it takes for new mining leases to be granted by state and federal governments to about six months to a year. At the moment it is often a long and tortuous process. After the period proposed in the policy, applications will be automatically referred to a tribunal. Under the new guidelines, foreign and domestic firms should find it easier to invest in the exploration and mining of gold, diamonds and metals like copper and zinc, and prospecting companies will automatically obtain a mining licence.

Only 10 percent of India's land mass has been explored for its mineral wealth, and industry officials say this is largely due to the mass of paper work involved. India produces 89 minerals, out of which 11 are metallic and 52 non-metallic. The country is estimated to have 2.92 billion tonnes of bauxite, or 10 percent of the world's reserves, and

276 billion tonnes of coal. It also has 14,000 tonnes of gold reserves, but the country only produces three tonnes of total annual demand of 800 tonnes. Industry officials say the country's iron ore reserves of 23 billion tonnes were a key factor attracting steel majors like South Korea's POSCO (005490.KS: Quote, Profile, Research) and world No. 1 Arcelor Mittal (ISPA.AS: Quote, Profile, Research), but securing mining leases remained a major hurdle.

[Source: <http://www.reuters.com>]

Indian coal hugely under priced – CIL chairman

March 13,2008: BS reported that Coal India Limited has voiced that the domestic coal prices are much below international levels. Mr PS Bhattacharyya chairman of CIL said that Indian coal prices are hugely suppressed and it is impacting much more than CIL's balance sheet. He said that "On an average, international coal prices, measured in rupees per million kilocalories, are 100% higher than Indian coal. Mr Bhattacharya said that FOB coal at international ports is compared with free on rail coal at Indian mines. He, however, said that CIL would push the government for another price hike soon. He said that "The whole focus of providing cheap power has to change. The pricing of coal has to be looked at from a far wider perspective. India has been a witness to periodic coal mine catastrophes claiming thousands of lives and impacting many more. In Jharia, nearly half a million people are sitting on earth that is blazing from within, fearing everyday that the ground beneath their feet will subside. Cross over to West Bengal, and you find unbridled illegal mining of coal that is giving rise to a parallel economy in places like Asansol and Raniganj." CIL hiked prices by 10% to 15% in December 2007 after a gap of 3 years. Despite being deregulated in 1999, coal prices continue to be monitored by the government as they directly impact power tariffs.

[Source: <http://steelguru.com>]

Press Note - FDI Policy for Mining of Titanium Bearing Minerals & Ores

March 12, 2008: India has large reserves of beach sand minerals in the coastal stretches around the country. Titanium bearing minerals viz. Ilmenite, rutile and leucosene, and Zirconium bearing minerals including zircon are some of the beach sand minerals which have been classified as "prescribed substances" under the Atomic Energy Act, 1962.

2.Under the Industrial Policy Statement 1991, mining and production of minerals classified as "prescribed substances" and specified in the Schedule to the Atomic Energy (Control of Production and Use) Order, 1953 were included in the list of industries reserved for the public sector. Vide Government of India Resolution No. 8/1(1)/97-PSU/1422 dated 6th October 1998 issued by the Department of Atomic Energy laying down the policy for exploitation of beach sand minerals, private participation including Foreign Direct Investment (FDI), was permitted in mining and production of Titanium ores (Ilmenite, Rutile and Leucosene) and Zirconium minerals (Zircon). FDI up to 74% was permitted with prior approval of the Government in pure value addition projects without mining and mineral separation as well as integrated projects comprising both mining & mineral separation and value addition.

3.Vide Government of India Notification No. S.O.61(E) dated 18.1.2006, the Department of Atomic Energy re-notified the list of "prescribed substances" under the Atomic Energy

Act 1962. Titanium bearing ores and concentrates (Ilmenite, Rutile and Leucoxene) and Zirconium, its alloys and compounds and minerals/concentrates including Zircon, were removed from the list of "prescribed substances".

4. On a review of the extant policy on FDI, Government of India has now decided as under:

4.1 FDI up to 100% will be allowed with prior Government approval in mining and mineral separation of titanium bearing minerals & ores, its value addition and integrated activities subject to sectoral regulations and the Mines and Minerals (Development and Regulation Act 1957).

4.2 FDI for separation of titanium bearing minerals & ores will be subject to the following additional conditions viz.:

i. value addition facilities are set up within India along with transfer of technology;

ii. disposal of tailings during the mineral separation shall be carried out in accordance with disposal of tailings during the mineral separation shall be carried out in accordance with regulations framed by the Atomic Energy Regulatory Board such as Atomic Energy (Radiation Protection) Rules, 2004 and the Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987.

5. FDI will not be allowed in mining of "prescribed substances" listed in the Government of India Notification No. S.O. 61(E) dated 18.1.2006 issued by the Department of Atomic Energy.

4. FDI Policy announced vide Annex to Press Note 4(2006) dated 10th February 2006 stands modified to the above extent.

[Source: <http://pib.nic.in>]

Jharkhand to woo visitors through mining tourism

March 12, 2008: Jharkhand wants to woo more tourists and now plans to exploit its abundant mineral resources for the purpose. It proposes to start mining tourism on the lines of countries like South Africa and Australia. "Mining tourism is doing well in many countries like South Africa, Australia and Japan. We are working to start mining tourism in the state, which will be the first of its kind in India," state tourism secretary Arun Kumar Singh told IANS. "Jharkhand is known for its mineral resources. It has mines of coal, iron ore, copper, bauxite and other minerals. We will take tourists to closed mines and show them how minerals are extracted," Singh said. "To translate the project into reality, Jharkhand's tourism department is consulting mining companies. We have consulted Hindustan Copper Ltd (HCL) and Central Coalfields Ltd (CCL) on the mining tourism proposal," he added.

Though the mines for the project have not been identified, two of the prominent ones in Jharkhand are Regrappa mines and the North Karmapura mines in Ranchi district. “Work is under progress and if things go smoothly, then we will start mining tourism very soon,” the official said. The state has this year hiked the tourism department’s budget by five times. “Our serious effort to promote tourism can be seen from the fact that the 2008-09 budget (of the tourism department) has been increased to Rs.1.6 billion from the existing Rs.260 million,” Singh said. The department has identified 158 tourist spots that will be developed and 163 places where wayside amenities will be improved. Singh said Jharkhand’s infrastructure, which is quite poor at present, would be improved and roads would be constructed, linking the major tourist destinations.

“To improve infrastructure, 25 roads leading to tourist places will be constructed and 20 roads that are less than 200 km from tourist places will also be built by the tourism department,” he said. “We are also ensuring good hotels in partnership with the private sector. The district administration of all 24 districts has been directed to acquire land or transfer government land to build hotels at tourist places. Private sector companies that want to construct hotels at tourist spots will be given incentives,” Singh said.

[Source: <http://www.thaindian.com>]

Rahul Gandhi disapproves mining in Orissa hills

Bhubaneswar, Mar 10, 2008: Addressing media persons in Bhubaneswar after culmination of four-day statewide tour on Monday, All India Congress Committee (AICC) General Secretary Rahul Gandhi said that mining in hills of Orissa would damage the environment.

He said I am against the proposal of mining bauxite in hills in eastern Orissa by Sterlite Industries, an Indian ancillary of Britain’s Vedanta Resources. Although I am not against industrialization, but we should not overlook the harmful effects of it. Rahul said, in a talk with tribals, I came to know how passionate they are about hills. My personal view is that mining in those hills will not only destroy environment, water but will also destroy the culture of thousands of people and I am against all this. India’s Supreme Court had barred Britain’s Vedanta Resources from mining bauxite in Orissa in last November where tribal people and voluntary groups also opposed mining. But Sterlite Industries has an open window to come back with a fresh proposal on safeguarding the rights of local tribals and make fresh financial commitments to ensure the development of tribal people and submit an account of its expenses to the court, among other terms.

Vedanta wants to dig opencast mines in the Niyamgiri hills in Orissa to feed an alumina refinery it has already built in the area, as part of an 800 million dollars project expected initially to produce 1 million tonnes of alumina per year. Tribal people feel that mining will destroy the hills, which they consider as sacred, and destroy their livelihood based on farming millet, hunting and collecting fruits and spices from the forests.

Environmentalists say opencast mines would wreck havoc on the rich biodiversity of the remote hills and disrupt key water sources, which are used to feed two rivers that irrigate large areas of farmland. Both the State and Central Governments back the mining plan, as part of efforts to industrialize and exploit the mineral resources of

underdeveloped eastern India. Rahul Gandhi, who kicked off his nationwide tour termed as 'Discover India tour', from one of the poorest districts of Kalahandi in Orissa on Friday said that his tour was basically aimed at reaching people at the grassroots level. The young Gandhi scion, who is AICC General Secretary in charge of Youth Congress and the National Students' Union of India (NSUI), had recently announced plans for undertaking a country-wide tour, during which, he said he would hunt for talented youth interested in politics and would focus on the problems of young people. Addressing a press conference in Orissa, he told reporters he said: Lok Sabha elections are expected to be held on time I don't think there will be an early poll. I think the prospects for Congress in Orissa are looking good.

[Source: <http://www.thaindian.com>]

India's NMDC in talks for iron ore mine abroad

New Delhi, Mar 10, 2008: Indian state-run miner NMDC Ltd has begun talks with companies in Canada, Brazil and Australia as it hopes to secure an interest in an overseas iron ore asset, the firm's chairman said on Monday. Demand from steelmakers and construction projects in China, India and the Middle East has made iron ore a highly-sought commodity, supplies of which are dominated by three big mining companies. The mismatch between supply and demand has caused prices to spike in the last year and triggered a global race to bring more to the market. "We have just started the process. The talks are at an initial stage," Rana Som told Reuters in an interview. "We have got some offers from Brazil and Australia, apart from Canada.

"NMDC, being a navaratna company, can invest up to 10 billion rupees abroad (\$250 million), if the project is viable, attractive and compatible with long-term strategies," Som said, referring to the maximum amount it can invest overseas without seeking government approval. Navaratna is a term used to describe a handful of major and profitable state-run firms. NMDC, which accounts for about 15 percent of iron ore production in India, is setting up a separate unit called the Global Exploration Centre for investing abroad. "This exploration centre will be used in India and abroad for mining projects. The funds will be decided on the basis of the projects," Soma said.

NMDC is India's leading state-run miner, with three iron ore mines in the country, and is expecting iron ore production in the financial year ending March 2008 of 30 million tonnes. Som said the company wanted to build up its iron ore reserves with domestic steel consumption expected to rise 10-15 percent annually over the coming years. "I think iron ore prices will continue on an upward trend over the next three to four years," he added. Brazilian miner Vale recently said that its big clients have agreed to a 65 percent increase in iron ore prices for 2008. NMDC sets its contracted iron ore prices based on those of the world's top miners. Som added the company was also looking to process more of its low-value material called slime and convert it into pig iron. "We are sending a team to Australia for the technology," he said. Som said NMDC was setting up a pig iron plant with a capacity of 800,000 tonnes per annum and an iron ore pelletisation plant with an annual capacity of 1 million tonnes.

[Source: <http://www.reuters.com>]

RIL to ink JV with Coal India

New Delhi, March 10, 2008: Mukesh Ambani-controlled Reliance Industries Ltd, which made the country's biggest gas find in 2002 and is setting up the world's largest single-location refining complex at Jamnagar in Gujarat, is eyeing a JV with state-owned monopoly Coal India Ltd for its proposed coal-to-liquid project for synthesising 80,000 barrels a day of oil from black diamond. Sources said the top brass of the two sides have already held a round of talks to flag the areas of co-operation towards this end. Reliance has already written to the government, asking for coal acreages that can supply approximately 30 million tonnes a year. Executives of the two firms were not immediately available for comments.

Reliance has sought mines with a total reserve of 1,500 million tonnes under the operational area of Mahanadi Coalfields that are mostly open-cast mines. Production cost in open-cast system is lower than underground mining. This offsets the higher cost of cleaning inferior Indian coal to levels of 32% ash content for use in this project. The company sees the coal-to-liquid project as an area where it can leverage its expertise and leadership position in the petrochemicals business in India. A back-of-envelope calculation suggests an investment of over \$5 billion in a project of this size. Coal ministry officials said Reliance is talking to leading technology-providers for the project, including Sasol of South Africa, Headwaters and KBL.

The joint venture plan with Coal India is the second public-private proposal for coal-to-liquid projects. State refiner-marketer Indian Oil Corporation had last month requested external affairs minister Pranab Mukherjee to flag to his South African counterpart a possible partnership in the tie-up the Tata Group has with Sasol for a similar project. The Tata-Sasol combine has also sought access to 30 million tonnes of black diamond a year for producing 3 million barrels of oil and 1,500 mw of power from a similar project it proposes to set up in joint venture with Sasol. The Tata Group has an understanding with Sasol, the world's largest producer of oil from coal, and is reported to be willing to pump in up to \$6 billion in the project.

The rush for coal-to-liquid projects comes in the wake of the new policy wherein projects for producing gas or oil from coal have been given the status of end-use. This makes firms interested in setting up such projects to apply for coalmines for captive mining.

[Source: <http://timesofindia.indiatimes.com>]

Coal Mining may displace 1 Million People by 2025 – CMPDI

March 08,2008: According to a study conducted by Central Mine Planning & Design Institute Limited, about 1 million people in India may be displaced due to coal mining projects by 2025. Mr B Dayal GM of CMPDI said that "An estimated 850,000 people are set to be ousted by the coal mining projects by 2025 and an additional 112,000 will be displaced if the master plan, formulated by CIL for Jharia and Raniganj coalfields is implemented. The large scale displacement of people will be caused by the land requirement for coal mining, which will reach 2,925 square kilometer by 2025, up from the existing 1,470 square kilometer. The share of forest land for coal mining activities is also set to grow from 25% at present to 30% by 2025." The CMPDI study has also touched upon the issue of closure of mines and the contentious issue of permitting mining in forest regions. The report has called for demarcation of coal reserves under forest areas as yes and no mining zones. It has also advocated the framing of greenhouse emission

norms, which coal mining companies need to adhere to during and after mining. The study points out that since rehabilitation is a very sensitive issue in India, there is need for consensual rehabilitation and involvement of people in the mining projects right from the beginning.

Mr Dayal said "The mining companies need to offer attractive rehabilitation packages to the displaced people. Not only this, they also have to invest in peripheral development like building better roads, hospitals and schools for the displaced families. What they need to focus is on how they can improve the quality of life of the people who are going to be ousted as a result of the mining projects." Mr Dayal cautioned that the spurt in mining activities will also generate a lot of ash and other waste products. At present, coal mining generates 300 million ton per annum of ash and another 200 million ton of washery rejects per annum are slated to be added as CIL has planned to supply washed coal to all its consumers barring pit-head power plants. Keeping in view the contribution of mining companies to the surging pollution levels, the CMPDI study has stressed on the need for CIL to adopt clean coal technologies like coal bed methane, coal mine methane, underground as well as surface coal gasification and coal liquefaction.

[Source: <http://steelguru.com>]

Amid a Power Crunch, Thermal Plants lie Idle for want of Coal

Coal shortages have become a cause of worry as they might impact the overall Indian economy

March 10, 2008: A significant chunk of India's thermal power capacity—about 11,000MW— added in the last two years by both private and public sector companies is ready but cannot be used because promised supplies of coal will not be delivered, according to the Central Electricity Authority, or CEA, the apex power sector planning body. Coal suppliers, say analysts and officials, are renegeing on their commitments because they have not commenced production in their mines—in some cases because the coal mines haven't received environmental clearances. This setback comes against the backdrop of soaring demand that is outstripping power supply and causing regular outages across India well before the peak summer usage months arrive.

India has an installed power generation capacity of 141,080MW and added 11,000MW, or 8% of total capacity, during 2006-07 and 2007-08. But this new capacity, while synchronized and tested, hasn't become fully operational. "These projects were not generating power. There is a supply-demand mismatch...there is a shortage of coal on account of coal mining not keeping match with the generating capacity," said a CEA official who did not want to be identified. According to the government's recent Economic Survey 2007-08, coal production has decelerated from a high of 6.2% in 2005-06 (April-December) to 4.9% in the corresponding period in 2007-08.

"Letter of assurances (LoAs) of around 200 million tonnes per annum (mtpa) have been issued by the coal ministry as per the requirement of the coal distribution policy, which states that 100% demand of the power sector has to be met. However, there is no coal available to cater to these LoAs. The delays in getting environment and forest clearances (for coal mining) have aggravated the problem," said a coal ministry official who also did not want to be named. Coal shortages have become a cause of worry as they might impact the overall Indian economy, which grew by 9.6% last year and is expected to grow by 8.7% this fiscal.

Around 67% of India's total power generation capacity is based on coal. The power sector has a present coal demand of around 390mtpa. However, even though 78% of India's coal production is dedicated to power generation, projected supply falls well short of demand. The sector, excluding the planned ultra mega power projects, is expected to need 545mt of coal by 2012, compared with domestic coal supplies of around 482mt. The shortfall will have to be made up through imports. India's coal imports, currently estimated at 20mt, are expected to double in the next five years as more thermal power projects become operational.

"There is a severe coal shortfall in the country. Out of 165-odd captive coal blocks awarded by the government, around 130 blocks are for the power sector alone. However, the blocks have not been productionized due to procedural delays such as environmental clearances. Even the coal mining plans of Coal India Ltd are not realistic, and they have been facing a lot of difficulty in project implementation due to delays in clearances," said Dipesh Dipu, a manager with audit and consulting firm PricewaterhouseCoopers. Procedural and infrastructure delays have already upset the captive coal mining plans of NTPC Ltd, India's largest power generation company, as reported by Mint on 11 October. India has 256 billion tonnes of coal reserves of which around 455mtpa is mined.

[Source: <http://www.livemint.com>]

India's Iron Ore Resources can increase Significantly – ICRIER

March 09, 2008: According to a study carried out by Indian Council of Research in International Economic Relations, India's iron ore resources can increase significantly from the current estimated level and there is no urgency to rush into any conservationist policy as regards to ore exports. The study said that the size of mineral resources is a dynamic concept and depends on exploratory efforts, which have not been enough in India for lack of investments. India's iron ore resources have increased by an average of 307 million tonne per year during 1980-2005 despite continuous extraction for domestic consumption and export. Currently, ore resources are estimated at a little over 25 billion tonne, considering a depth of 50 to 60 meters. Deposits can be found and economically mined even up to 200 meters and more.

The study pointed out that though there are concerns over reserves in view of the proposed capacity additions, a significant share of steel gets recycled. With increased use of scrap, demand for iron ore will be less. The study added that in the current scenario, export restrictions will make it difficult to take care of excess fines. Restrictions on trade in iron ore will also restrict the economies of scale to Indian mining Companies and they may remain inefficient in global comparison forever. Such restrictions could also lead to closure of some of the mines, leading to loss of direct and indirect jobs.

India's iron ore production in 2006-07 was around 181 million tonne, which was in excess of the consumption level. India exported about 93 million tonne during that fiscal, which is expected to come down to about 88 million tonne in the current fiscal. Nearly 80% of exported ores are fines, because those are not adequately used in India. India's competitiveness in the Chinese market has already started falling, the study points out.

[Source: <http://steelguru.com>]

Coal Regulator: Is the Market ready with Enough Players?

New Delhi, Mar 7, 2008: This may be one budget proposal that almost got away unnoticed, but has the potential to create a political furore even destabilising the government. The Budget 2008-09 has proposed establishment of an independent coal regulator to oversee the activities of the growing sector with powers even to determine coal prices. While the government proposal is being seen as a positive step towards reforming the coal sector, politically this presents a risk as establishment of a coal regulator is widely considered a precursor to opening the controlled coal market. Though no dates were announced for creation of a new regulatory framework, the budget proposals give enough indications that it is a step towards opening the coal sector for commercial mining, a prescription that has also been given by the Economic Survey 2007-08. That is because a regulator in a monopolistic market dominated by PSUs could hardly play the role it is envisaged to play.

The proposal on coal regulator has been floating for the last several years without any forward movement. First, the idea met with opposition within the coal ministry that felt its powers would be eroded under the new system. Then, various government ministries expressed divergent views over the proposal. Even experts termed the move just an eyewash as regulators would be left with no work in a market where single player, Coal India (CIL), commands almost 80% of the market share. The latest salvo has come from the Central Electricity Authority (CEA) that has now suggested that CERC should be vested with additional powers to regulate the coal sector rather than putting in place a separate coal regulator.

This presents a question whether the proposal to set up a coal regulator is premature? “No”, says a government official. “The coal market is quite vibrant now with the entry of several private players in the captive mining activities. Once production from these captive mining starts pouring in, regulatory framework would automatically become active,” the official said. Differences apart, the coal ministry is finalising Coal Governance and Regulation Authority Bill, that would establish the office of the new regulator responsible for overseeing issues pertaining to pricing and supply of coal. The bill is being finalised on the basis of a report prepared by Administrative Staff College of India (ASCI).

As per the proposal, the new regulator would establish credible and transparent regulatory framework. It will help in improving exploitation and allocation of available resources, regulate and fix coal prices, including that to be sold through the electronic route, regulate trading margins and enable competitive coal market to take shape for user industries. It would also finalise the fuel supply and transport agreements (FSTA) with power sector consumers that account for almost 80% of total coal consumed in the country. It is suggested that all the regulatory functions of the ministry of coal as well as the government-owned coal companies should be passed on to the regulator. The proposed independent regulator will comprise experts with wide experience of the sector.

Initially, the regulatory authority would be funded through the consolidated fund of the budget. Licence fees, petition fees and other such fee would be consolidated in a separate fund to finance the regulatory body. The new regulator would also replace the screening committee that oversees allotment of coal blocks and pricing of coal. In order to prevent dilution of coal ministry’s jurisdiction, CEA has suggested that data collection

and publication as well as monitoring and enforcement of mining practises and safety, would remain vested with the ministry of coal and directorate general of mine safety. Institution of coal regulator has been favoured by a coal ministry committee and an Expert Committee on Coal Sector reforms earlier. The Integrated Energy Policy framed by Planning Commission member Kirit Parikh has also suggested regulation of the industry.

[Source: <http://economictimes.indiatimes.com>]

New Mining Policy likely in 2 Months

March 07,2008: Mr T Subbarami Reddy union minister of state for mines, while speaking at the summit on mining to steel making organized by the Indian Chamber of Commerce, said that India's new mining policy is expected to come into effect in another 2 months. He said that "Under the new policy, allocation of new iron ore mines would be made only to those applicants who plan to do value addition of the ore. This would be a big relief to the steel producers as iron ore is a critical input for them."

[Source: <http://steelguru.com>]