

Mining & Metal

Current Scenario:

Steel is a component of eight core industries with an weightage of 6.68% and its production declined by 2.5%, while the overall index grew by 3.2%. Its cumulative index during April to September, 2015-16 declined by 0.4 % over the corresponding period of previous year.

The index for 'Minerals' group declined by 4.3 percent to 234.1(provisional) from 244.6 (provisional) in the month of September compared to August due to lower price of zinc concentrate (10%), sillimanite and crude petroleum (9% each), phosphorite (6%), manganese ore (4%), magnesite and iron ore (3% each). However, the price of copper ore (9%) and chromite (8%) moved up.

Wholesale Price Index of Minerals

Month/Year	April	May	June	July	August	September
2015	246.6	247.7	248.5	255.9	244.6	234.1

Source: Office of Economic Advisor, <http://www.eaindustry.nic.in/cmonthly.pdf>

Future Scenario:

India targets to become the second largest steel producer by the year 2020 and tries to triple the steel production by 2025 to touch 300 millions. In that process, Government has decided to set up special purpose vehicles (SPVs) in prominent coal producing states like Jharkhand, Odisha, Karnataka, and Chhattisgarh.

Policy Level Changes:

Indian Steel Minister Mr Narendra Singh Tomar meets his Namibia Counterpart

Namibia's Mines & Energy Minister Mr. Obeth Kandjoze who was there to attend "India Africa Forum Summit-2015" met Indian Steel Minister Mr Tomar. Indian Steel Minister viewed "there are several Indian companies that want to invest in Namibia in the area of minerals." To augment Indian investment in Namibian steel sector, he highlighted the importance of fast-tracking the process of getting work permits and requirement of South African transit visa, completion of ratification formalities to realize the agreement on Cooperation in peaceful purposes of nuclear energy. On the other hand Mr Kandjoze sought cooperation from India in areas of R&D and technology development.