

Sector Brief – June 2015

Current Scenario:

The index for 'Minerals' group declined by 2.2 percent to 246.6 (provisional) from 252.1 (provisional) for the previous month due to lower price of manganese ore (19%), iron ore (9%), copper ore (5%), barytes (3%) and magnesite and chromite (2% each). However, the price of zinc concentrate (11%), crude petroleum (4%), sillimanite and phosphorite (2% each) moved up.

Year	Jan	Feb	Mar	Apr
2015	242.9	247	252.1	246.6

Steel production increased by 0.6% in April 2015 over April 2014. Its cumulative index during April-March 2014-15 increased by 0.8% over the corresponding period of previous year.

Future Trend:

The Steel Ministry has drawn a blue-print to increase still production to 300 million tones by 2025 from current production of 88 million tones. SAIL alone will double its production during this period while four other units will be set up as Special Purpose Vehicle (SPV) to achieve the target. These plants are expected to have initial capacity of 3 mt each, to be doubled to 6 mt each in the next phase. The Ministry also envisages foreign steel makers to set up base in the country for better technological collaboration and higher grade steel production. To support higher production ambition, a Rs 200 crore steel research mission to be rolled on which would focus on higher grade steel. The legal mandates for steel industry also is on the verge of change—a new act that calls for auctioning iron ore mines, grant of lease for 50 years and faster renewal of licenses are to be brought in. India also is to use 2% of royalty to fund new thrust on exploration of iron ore.

Policy Level Announcements:

Union Steel & Mines Minister assures Nagaland of full support for exploration of minerals in Nagaland

To ensure maximum benefit for the state, Chief Minister of Nagaland, Shri TR Zeliang, called on Union Steel and Mines Minister Shri Narendra Singh Tomar to discuss issues pertaining to development of the state. The Steel Minister assured full support towards any exploration activity to the state of Nagaland and conveyed that development of North-Eastern states is on high priority for government of India.

Shri Narendra Singh Tomar holds discussion with Assam & Meghalaya Chief Minister on issues regarding development of North Eastern areas

Hon'ble Steel Minister made a visit to Meghalaya and Assam to discuss issues regarding development of Meghalaya, Assam and other North-Eastern states in the steel & mining sector. He also discussed MMDR Act 2015 and explained how it will usher in greater transparency and better ease of doing business. To give further impetus to Mineral exploration in Meghalaya & Assam, both the Chief Ministers agreed to the formation of a committee to expedite and intensify exploration activities in the state and to ensure quick closure of abandoned mines.

India & Congo explore mutual areas of cooperation in the field of Mining

A business delegation from Democratic Republic of Congo met Union Minister Mr Narendra Tomar and discussed means to explore areas of mutual cooperation in mining. Congo is area-wise the 2nd largest country in Africa and 4th largest country on population basis. As per IMF data, it is one of the fastest growing countries in the region.

MOU between India and China on cooperation in the fields of Mining and mineral

An MOU is to be signed between India and China for mutual cooperation in the field of mining and mineral sector. The MOU will provide an institutional mechanism between India and the Peoples' Republic of China on mining and mineral sector. It is expected to augment exchange of information of resources, laws and policy, transfer of technology and promotional activities through organization of seminars to exchange views.