Current Scenario:
Steel production declined by 5.9% compared to previous month. Its cumulative index during April to August, 2015-16 declined by 0.03% over the corresponding period of previous year.

The index for Minerals group declined by 4.4 percent to 244.6 (provisional) from 255.9 (provisional) for the previous month due to lower price of phosphorite (9%), crude petroleum (7%), sillimanite and copper ore (5% each) and iron ore (2%). However, the price of zinc concentrate (8%) and chromite (2%) moved up.

Wholesale Price Index of Minerals

Future Scenario:
Over the last decade, the contribution of mining to India's GDP has fallen from 1.2 per cent to 1 per cent. If properly tapped, the mining industry could help propel growth for the country over the next decade. The mining industry has the potential to create 6 million additional total jobs by 2025, accounting for 12 per cent of the new non-farm job gap. At the same time, the mining industry could contribute an additional USD 125 billion to India's output and USD 47 billion to India's GDP by 2025. If mining grows more rapidly, it could increase its direct and induced contribution to India's output from USD 50 billion in 2012 to USD 126 billion by 2025 (additional USD 47 billion over business-as-usual scenario). The total revenue to the government through mining and downstream sector could increase from USD 18 billion in 2012 to USD 53 billion by 2025 in the accelerated mining growth scenario, which is 30 per cent of today's revenue receipts.

Policy Level Changes/Sectoral Update:
Import duty on steel raised to protect domestic steel sector
The Finance Ministry has hiked the import duty on key steel products by 2.5 in August 2015. At the same time, non-alloy flat products and some specified alloy steel products will attract an import duty of 12.5 per cent. Government is again mulling with the idea of raising anti-dumping duty to protect domestic steel producers.

Tata Steel rethinks on Canada Ore Project
In the wake of a fall in global prices of steel, Tata Steel has decided to take a relook at investments in large iron ore mines in eastern Canada in a joint venture mode with New Millennium Iron Corp (NML). Tata Steel owns a 26.2 per cent stake in NML, making it the largest shareholder and a strategic partner.