



# Indian Mining & Metals Industry e-Newsletter

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## Mines, Metals & Cement Division

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## MESSAGE

**Sh. Alok Chandra**

Economic Advisor  
Ministry of Mines, Government of India

The worldwide pandemic nCovid19 has led to severe disruptions across the value chain of mining & metals industry, in not just India but across the world. Governments around the world have been taking enabling measures not just to facilitate business activity on one hand while also preventing spread of nCovid19 pandemic, on the other hand. Government has introduced a set of social and economic measures, ranging from recommended social distancing & sanitization norms to mandatory quarantine. Since businesses are facing difficulties, interest rate cuts have been announced and required financial support is also provided by the Governments.

Mining & metals industry constitute the bedrock of industrial development as they provide basic raw materials for most of the downstream industries like power, steel, cement, aluminium, etc. The mining industry caters to the ever-rising demand for minerals and metals through the extraction (mining) and primary & secondary processing.

Acknowledging the importance of early revival of these sectors, Government of India has recently announced reforms to enhance mining sector's contribution to employment and to the GDP, which include introduction of a seamless composite exploration-cum-mining-cum- production regime, remove the distinction between captive & non-captive leases, introduce joint auctioning of bauxite and coal mineral blocks, among others. These reforms would not only help in expediting the mineral exploration & production but would also ensure wider participation from private sector in mining while bringing in large investments into the sector.

At this juncture, health and state of businesses is also important in determining the momentum of recovery and revival post this pandemic. Keeping this in view, I believe this newsletter would provide useful insights and information on how various stakeholders can collaborate and take decisions for early revival of the mining & metals industry.

Thank You.



**Sh. Tuhin Mukherjee**

Chair, FICCI Mining Committee and  
Managing Director Essel Mining & Industries Ltd.

**B**usinesses in normal times have to deal with several business risks arising from a complex socio-economic environment in an increasingly globalized world. Events in distant parts of the Globe have the potential to disrupt businesses.

The recent emergence of nCovid19 contagion in Wuhan, China and its rapid spread across the globe, and implementation of lockdown measures across several countries, has disrupted the “Old Normal” on an unprecedented scale, with several countries, governments, industries, businesses, individuals and communities, having to adapt to a “New Normal.”

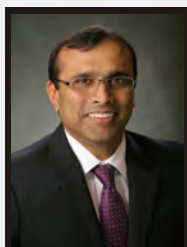
The unprecedented lockdown has also had its impact on the Indian economy and consumer demand. Impact on Mining Industry has also been profound, with disruption in supply chain, and unprecedented weakening of Demand across the supply chain of Metals & Minerals. The Indian Government has been cognizant of this fact and has taken proactive steps to support industry and businesses in these unprecedented times. The stimulus measures announced as part of the Rs. 20 Lakh Crores package are also expected to help several industries, across sectors, to survive this disruption. The monetary policy and fiscal policy measures are expected to help businesses to deal with short term liquidity mismatches arising from lockdown and stimulate demand in the coming quarters as the nation emerges out from the lockdown.

The Hon’ble Prime Minister has rolled out Vision for Atmanirbhar Bharat, wherein significant reforms have been announced for the Mining industry. The reforms in opening up Commercial Coal Mining for Private Sector are a welcome step to make our nation self-sufficient and reduce the need to import Coal, given the abundance of geological reserves available in the country.

I am sure we will all come out stronger than ever from the current challenges.

I am happy to share with you that FICCI has launched a e-newsletter for the mining & metals industry. Through this, FICCI is endeavouring to share knowledge, ideas and trends that are rapidly changing the growth dynamics for the mining & metals industry in the country and beyond.

Thank You



**Sh. Satish Pai**

Chair, FICCI Non-Ferrous Metals Committee and  
Managing Director, Hindalco Ltd.

**A**s India and the rest of the world battle the crisis created by the nCovid19 pandemic, it is important that both Government and industry collaborate closely so that quick and timely remedial actions can be taken for reviving growth in mining & metals sector. To keep the business continuity in accordance with the guidelines issued by the Government, many manufacturing units, steel plants, factories, etc. are adopting a calibrated approach in resuming operations, and have started production partially.

Mining & metals is unarguably a core sector and crucial for India's economic growth. In addition, the sector holds potential to boost employment in India's hinterland and aspirational regions. Since growth in this sector is primarily driven by sectors like infrastructure, automotive, power, construction, etc., it is of paramount importance that these sectors revive back at the earliest so that the demand can be created for post covid recovery and growth of the mining & metals industry. The Government's recently announced reforms would go a long way in kick-starting the economy which has been severely impacted due to nationwide lockdown on account of nCovid19.

Before the pandemic, India was one of the fastest growing economies, and with revival it can leap forward with a higher economic growth trajectory in the decade ahead. The forces of economic growth will require continued investments in new infrastructure, new and larger cities, machinery and production to employ more people and drive the economy forward.

This newsletter therefore intends to shed light on measures required for early revival of mining & metals industry highlighting the opportunities and challenges in the sector in these unprecedented challenging times.

Thank You

## EXPORTS – POTENTIAL GREEN SHOOTS FOR THE INDIAN METALS AND MINING INDUSTRY POST COVID-19



**Mr. Shridhar Kamath**  
Partner, Deloitte India



**Mr. Rajib Maitra**  
Director, Deloitte India

India has been one of the fastest growing economies in the world over the last few years, propelled by domestic consumption and strong macroeconomic drivers. In 2019, India overtook the United Kingdom to become the world's fifth largest economy at USD 2.94 trillion<sup>1</sup>. As per projections by the International Monetary Fund, India was expected to be a USD 5 trillion economy by 2024 and thus become the world's fourth largest<sup>2</sup>. However, the COVID-19 outbreak and overall economic slowdown before the pandemic is likely to have some bearing on these projections.

The metals and mining sector is critical for economic growth in a developing country like India. The sectoral share of mining and quarrying in Gross Value Added (GVA) is estimated to be about 2.1%<sup>3</sup>, whereas the share of overall metals and mining sector in GVA is estimated to be about 4.0%<sup>4</sup> in 2019-20. The sector has the potential to have significant impact on GDP growth, foreign exchange earnings and create competitive advantage for end use sectors such as construction, infrastructure, automotive, power, etc. with respect to securing key raw materials at competitive prices. Growth of the Indian metals and mining industry has been historically driven by domestic consumption. Going forward, both domestic demand augmentation and exports are likely to be important levers for growth of the industry and its contribution to GDP growth in a post-COVID world.

India's trade deficit in minerals (excluding import of crude petroleum and natural gas) increased from INR 939 billion in 2013-14 to INR 2.1 trillion in 2017-18, on account of strong growth in imports.

Mineral trade balance (excluding petroleum and natural gas) in INR billion<sup>5</sup>

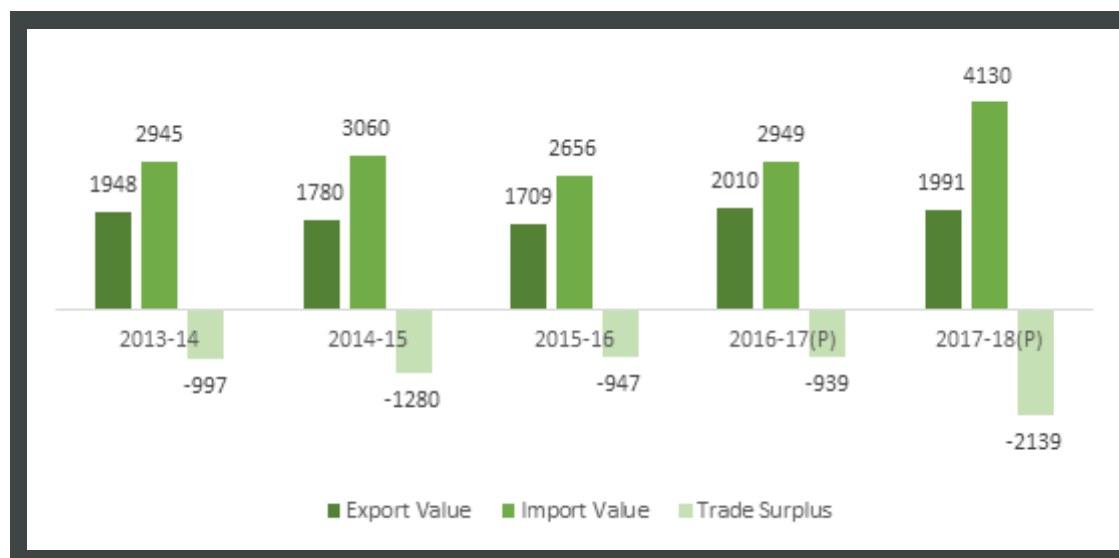
<sup>1</sup>IMF World Economic Outlook, October 2019

<sup>2</sup><https://www.indiatoday.in/diu/story/how-can-india-become-a-5-trillion-economy-by-2024-1560008-2019-07-01>

<sup>3</sup>[https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01\\_vol2.pdf](https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf)

<sup>4</sup>[http://www.mospi.gov.in/sites/default/files/press\\_release/PRESS%20NOTE%20PE%20and%20Q4%20estimates%20of%20GDP.pdf](http://www.mospi.gov.in/sites/default/files/press_release/PRESS%20NOTE%20PE%20and%20Q4%20estimates%20of%20GDP.pdf)

<sup>5</sup>Source: Ministry of Mines, Annual Report 2018-19



India continued to exhibit a significant trade deficit in many of the key minerals and metals during 2019-20<sup>6</sup>, except commodities such as iron ore, steel, and primary aluminium. India imported 247.1 million tonnes (Mt)<sup>7</sup> of coal in 2019-20, with almost 187.4 Mt of such imports being of thermal coal. Similarly, India is a net importer of copper ore and concentrates, precious metals such as gold and emerald<sup>8</sup>. Gold imports form a sizeable part of the overall mineral imports by value. India does not seem to have the adequate domestic availability for some of these minerals such as coking coal to substitute imports. However, India has significant domestic reserves of minerals such as thermal coal, iron ore, bauxite, chromite, and manganese, among others. India features prominently in the top ten countries globally in terms of annual production across most of these minerals<sup>9</sup>. This creates an opportunity beyond import substitution towards export of these minerals. Moreover, as evident from the schematic below, export of mineral and metal commodities has a significant contribution to mining sector growth in many major mining geographies endowed with similar mineral wealth, in both, developed and developing economies.

#### **Ore and metals exports share of merchandise exports vis-à-vis mining contribution to GDP<sup>10</sup>.**

India also has significant potential to enhance exports of metal commodities such as steel and primary aluminium. India became the world's second largest producer of steel in 2019<sup>11</sup>. Crude steel production capacity in India reached 143.98 Mt in FY20 with crude steel production estimated at 109.22 Mt, growing at a CAGR of 4.2% over the past five years<sup>12</sup>. India was a net exporter in 2019-20 with finished steel exports

<sup>6</sup><https://indianexpress.com/article/business/companies/coal-india-mandated-to-replace-100-mt-of-imports-with-domestic-coal-6409510/>

<sup>7</sup>SteelMint

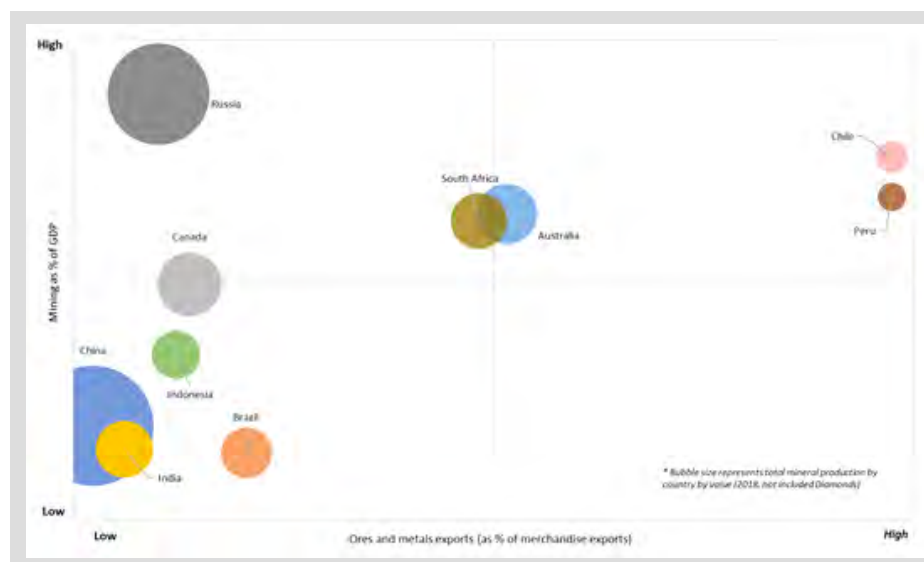
<sup>8</sup>Ministry of Mines, Annual Report 2018-19

<sup>9</sup>Indian Bureau of Mines

<sup>10</sup>Respective countries national accounts, UN Statistical database, World Bank 2018, World Mining Congress 2018

<sup>11</sup>World Steel Association, January 2020

<sup>12</sup>Joint Plant Committee, Ministry of Steel



rising to 8.35 Mt vis-à-vis imports of 6.76 Mt. National Steel Policy 2017 outlined the ambition of creating 300 Mt steel capacity by 2030<sup>13</sup>. The industry growth can be facilitated by growth in steel exports. Similarly, India exported 1.87 Mt of primary aluminium in CY2019, which constitutes almost 50% of domestic production<sup>14</sup>.

### Key imperatives for exports growth in the Indian metals and mining industry

The exports growth for the Indian metals and mining industry largely hinges on specific exporter challenges related to market awareness and access, capability and capacity constraints, and incentives to exporters. Further, many of the export incentives could already be non-compliant as per WTO guidelines, while some of the export incentives are likely to be withdrawn in the future. Hence, it is imperative that the country focuses on a holistic framework to address issues related to competitiveness for export of mineral and metal commodities. The framework may comprise themes such as “product-market portfolio strategy”, “capability enhancement”, “capacity building” and “trade promotion”, supported by enabling policies and regulations. Some of the indicative measures across the potential themes are listed below.

**Target product-market portfolio strategy:** It is pertinent to identify the focus product baskets wherein the Indian metals and mining industry has established credibility, growth potential is high, or the government has additional focus for future expansion. The selection of the target markets needs to be done based on the future demand, acceptability of Indian products, and India’s competitiveness in those markets. It is critical to understand the specific requirements (standards, regulations, technical features,

<sup>13</sup>National Steel Policy, 2017

<sup>14</sup>CMIE Databank

etc.) in those markets. For instance, a high level evaluation based on GDP growth and steel import intensity<sup>15</sup> indicates that China, Southeast Asia (Thailand, Taiwan, Indonesia, Malaysia, Vietnam, and Philippines), and Middle East and North Africa (MENA) may be potential target markets for export of steel products. Particularly after the onset of COVID-19, integrated steel players from India have primarily focused on export of finished steel products and semis to these markets<sup>16</sup>.

**Trade agreement realignment:** It is a general perception among stakeholders that Indian trade agreements are not adequately aligned with the countries that have consumption potential. Until recently, India's metals and mineral commodity exports have been directed towards developed markets, and these are now fast shifting towards emerging economies in SAARC, ASEAN, and Africa. Trade policies are not adequately aligned with this fundamental shift in target export countries. Therefore, it is necessary that future policy actions increase focus on the emerging destinations with high potential of export to boost India's mineral and metal commodity exports. It is also important for exporters to be aware of preferential duty benefits, and compliance requirements (Rules of Origin, Certificate of Origin, etc.) under multiple bilateral and regional trading agreements.

**Adoption and harmonisation of standards:** Standards-related measures serve an important function in facilitating international trade. These are generally considered as one of the most prominent non-tariff barriers. Indian exporters often find it challenging to meet standards and conformity assessment criteria demanded by developed nations. Therefore, the government, Bureau of Indian Standards (BIS), and relevant industry bodies could consider joint programmes pertaining to standards and technical regulations. For example, Ministry of Steel along with BIS have periodically imposed quality control orders on domestic steel to improve quality of manufactured products as per designated product standards. It may be beneficial to harmonise local standards with global standards to facilitate increase in steel exports. For instance, IS 2062 (hot rolled steel) standard has difference with global standards (EN, DIN) in terms carbon, silicon content, etc<sup>17</sup>. The Steel Import Monitoring System (SIMS), which provides advance information on steel imports to India, is likely to facilitate standardisation of products under Chapter 72 and 73 and benefit exports through a harmonised system of coding.

**Raw material availability at competitive prices:** A relatively slow process of iron ore and bauxite mine allocation, along with intermittent mining bans across a few states is seen to have impacted the domestic steel and aluminium sectors over the last few years. Significant progress was made through auction of 20 iron ore leases in Odisha before the expiry of mine leases by end of March 2020 under the Mines and Minerals (Development & Regulation) Act 2015. Recent reforms pertaining to single licensing policy,

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<sup>15</sup>Based on data from Global steel trade monitor provided by U.S. Department of Commerce, Enforcement and Compliance. Includes content from Global Trade Atlas provided by IHS Markit Global Inc.

<sup>16</sup><https://www.livemint.com/companies/news/sail-turns-to-exports-as-debt-piles-up-11589795043753.html>

<sup>17</sup>Bureau of Indian Standards, Steel manufacturer websites



removal of captive and non-captive distinction, and stamp duty rationalisation are important steps to facilitate raw material availability at competitive prices.

**Remission of Duties and Taxes on Exported products (RoDTEP):** RoDTEP is a scheme introduced by the Government of India to replace the existing Merchandise Exports from India Scheme (MEIS) for exports from India. The WTO compliant scheme intends to reimburse the taxes and duties incurred by exporters, such as central and state taxes, coal cess, electricity duties and fuel used for transportation, which are currently not getting exempted or refunded under any other existing scheme. The rebate could be claimed by the exporter as a percentage of the Freight On Board (FOB) value of exports. It is thus critical that the implementation of the scheme is expedited to enhance export competitiveness.

**Rationalisation of export duties and inverted duty structures:** Indian metals and mining players are increasingly pursuing export markets to mitigate any demand contraction in the domestic market. This has become pertinent in a post-COVID scenario. For example, India has the potential to export more iron ore due to increased domestic supply and competitive prices. Iron ore production in India was 246.5 MnT in 2019-20, increasing by 19.1% on a y-o-y basis<sup>18</sup> as miners ramped up output ahead of the expiry of mining leases by end of the financial year. As a result of enhanced production and low domestic mineral offtake, significant iron ore inventory piled up across mines in Odisha and Jharkhand by end of 2019-20. Industry estimates peg this inventory to be more than 100 Mt<sup>19</sup>. It may be imperative to reconsider trade regime in such a scenario.

**“De-bottlenecking” of logistics infrastructure for exports:** The inland logistics and port sectors are seen to be plagued with infrastructural challenges, slow adoption of technology, and high cost of operation. Indian ports typically exhibit high turn-around time and low level of operational efficiency. Transit time of cargo, which includes processing time at the port, varies from 7- 17 days for a distance of 1,400 km. For the same distance, transit time in China is 5-6 days<sup>20</sup>. Freight cost is also on the higher side. According to a recent report of Economic Advisory Council to Prime Minister, the road freight cost per ton per km in India is almost double (after adjusting for PPP) than that of the US, while the average speed is substantially lower than that in developed countries<sup>21</sup>. India will not only have to address current issues around rake availability, road infrastructure, port capacity, etc., but also evaluate innovative solutions such as slurry pipelines to ports, inland waterways, efficient use of land near ports / railway lines for blending / storage, etc. to try and address the logistics challenges.

Trade repository for exporters and overseas buyers: In India, access to the right information is generally a major challenge for secondary metal producers and small scale mineral exporters. A trade repository, a

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<sup>18</sup>SteelMint

<sup>19</sup>SteelMint

<sup>20</sup>Final report of Sagarmala project, Ministry of Shipping

<sup>21</sup>Economic Times - <https://economictimes.indiatimes.com/industry/transportation/shipping/-/transport/set-up-separate-dept-for-logistics-to-improve-transport-sector-pms-advisory-panel/articleshow/67510473.cms>

one-stop-shop portal for exporters and overseas buyers, may be developed to provide assistance on various aspects. Apart from information on mineral and metal commodity trade, markets, and customers, this portal may provide value added services such as online consultation, running a helpdesk, product branding, etc.

### **Conclusion**

In spite of challenges faced by the Indian metals and mining industry, it is seen to have generally managed to come out stronger at the end of 2019. Post recovery from the impact of COVID-19, the next decade holds the promise for a period of significant growth and focused efforts from industry players are required to achieve this growth, including strengthening exports competitiveness.

**Disclaimer:** The article has been authored by Shridhar Kamath, Partner, Deloitte India and Rajib Maitra, Director, Deloitte India. The views and opinions expressed in the article are those of the authors alone and personal.



## MINING FOR “ATMANIRBHAR BHARAT”



**Ms. Anubha Taneja Mukherjee**  
Assistant General Manager- Legal &  
Policy Specialist Vedanta Ltd.

The world is in the middle of a crisis of unprecedented proportions. It is perhaps for the first time in the living human history that a pandemic has hit the whole globe with so much force and such a variety of ramifications. While health related impact is obvious and gory enough, the economics of the whole devastation is still unfolding, layer by layer. Unpredictability of supply chains, movement of labour force, widening of unemployment and drying up of liquidity are some of the early manifestations that the world is beginning to realise. There are industries like hospitality, aviation and tourism that face the survival question. And, then, there are others that hold the answer. While any claim to prop up a single formula as a resolution – which itself is a misnomer and incongruous in this case – could be dismissed as pompous, there is data to support that suitable policy interventions in some sectors may hold the key to post Covid recovery. Mining is one of them.

Mining’s historical contribution to the country’s GDP, employment and all things growth need no repetition - 1% increase in growth rate of mining leads to an increase of 1.2-1.4% in the growth rate of industrial production. It’s potential to generate direct and indirect employment has also been laboured adequately – 1 direct job creates 10 indirect jobs.<sup>22</sup> Mining’s contribution to the exchequer is a matter fact. As of 2017-18, Indian states have earned royalties of ~ Rs.12,500 crores from major minerals, excluding coal and lignite. In addition to the above, annual royalty flow from mining of coal/lignite has been in the range of Rs. 9000 – 12000 Cr. District Mineral foundations (DMF). As on February 2020, total collection of DMF by states was Rs. 36,858 crores. National Mineral Exploration Trust (NMET) accrued as on 31 March 2019 was Rs. 1,447 crores. The sector contributes in the form of both direct tax, which is corporate income tax (IT) or minimum alternative tax (MAT) and indirect taxes such as, custom duty, service tax, value added tax (VAT) etc. In 2018-19, the sector collectively contributed ~Rs. 96,000 crores in taxes and duties, which has increased steadily over last few years. Apart from this, the auctioning of new mines is also expected to contribute to government revenues over Rs.2,00,000 crores over the period of these mining leases.<sup>23</sup>

What merits discussion at this critical juncture is what kind of policy interventions will be required to unlock the inherent potential of the sector. The interventions will need to be **quick, bold and game changing**, particularly since the industry was still crying for help when the pandemic broke out. In India,

<sup>23</sup>Mining, Society and a Sustainable World (2009) Springer

<sup>22</sup>Source: Ministry of mines, Details as on 04th Oct 2019

the contribution of mining to GDP declined to 1.6% of GDP in 2018-19, from 2.2% in 2011-12. The sector has attracted low levels of foreign investment, with FDI inflow in the sector declining from 2.1% of India's total FDI inflow in 2014-15 to 0.5% in 2018-19. This fall could be indicative of a loss of investor confidence in the sector, and it points to potentially untapped gains, which could accrue to consumers from competition. India's trade deficit in minerals and metals (excluding oil & gas) increased to \$61 bn in FY18-19, contributing ~40% of India's total trade deficit. Barring iron-ore, India exhibited a trade deficit in many of the key minerals and metals despite having adequate availability of resources. Therefore, any incremental production has the potential to reduce India's Current Account Deficit (CAD).

According to figures published by a prominent mining journal, the ongoing coronavirus Covid-19 pandemic has so far wiped \$282bn from the value of the top 50 mining companies worldwide<sup>24</sup>. This has been the result of overall economic disruption happening across the globe. Prominent global institutes and banks have projected a muted GDP growth of India for FY21 – **IMF predicted 1.9%, Barclays predicted 0% and Fitch predicted 0.8% growth**. Global output also may enter into negative zone in FY21. Demand shock due to lockdowns or severe restrictions is expected to hurt volume and prices of metals/minerals. Demand and prices of key metal and mineral have been impacted severely in last 2 months. In Base Metals, the impact is so severe that prices of non-ferrous metals such as, Aluminium, Zinc, Lead and Copper fell 15 – 20% since early January 2020. In Steel, China, the largest steel producer, has reduced export price of steel by ~17% since January. Indian players have cut production by 50 – 60%. Indian steel demand may fall by 5 – 10% as projected by various analysts

The recent announcements made by Hon'ble Finance Minister are a welcome recognition of the mining industry's role in "Atmanirbhar Bharat" as the announcements focused on enhancing domestic production, incentivizing exploration and bringing more investments through unrestricted transfer of mineral concessions etc. A good template already exists in the case of coal. Many of the positive aspects of the new regime for coal mining – which got notified by the Coal Blocks Allocation (Amendment) Rules, 2020 on 20 May 2020 -be applied to the minerals sectors. This includes the provisions related to private participation for exploration, composite licensing, revenue sharing mechanism, bidding irrespective of end use, upfront payment with a ceiling as the only eligibility condition incentive and reward additional production ahead of schedule. There is no reason to have a different regime for coal and minerals for maximization of production and revenue.

The rationale for bold policy interventions backed by empirical evidence existed even before the outbreak – mining's undeniable potential to put India on a growth trajectory. The pandemic has only lent more weight and justification to it. The Indian mining industry is as much a key to India's post Covid recovery as it was to the country's USD 5 TN dream, which cannot be sacrificed just yet. Only deferred.

**Note:** *Views are personal.*

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<sup>24</sup><https://www.mining.com/top-50-biggest-mining-companies/>

## ECONOMIC RECOVERY IN THE AFTERMATH OF COVID-19: THE CASE FOR INDIA'S MINING SECTOR



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### Engine of Economic Growth

The mining sector is a core driver of a nation's economic development. The sector is a significant contributor to GDP, a major source of employment, and a catalyst of growth in other vital industries (such as power, steel, cement, etc.) that are, in turn, critical for overall economic development. As aptly stated in the National Mineral Policy, 2019 ('NMP'):

*"Minerals are a valuable natural resource being the vital raw material for the core sectors of the economy. Exploration, extraction and management of minerals have to be guided by national goals and perspectives, to be integrated into the overall strategy of the country's economic development. Endeavour shall be to promote domestic industry, reduce import dependency, and feed into Make in India initiative."*

India is richly endowed with metallic and non-metallic mineral resources – the country produces as many as 95 minerals, which includes 4 fuel, 10 metallic, 23 non-metallic, 3 atomic and 55 minor minerals. Considering this abundance of minerals in India, the mining sector has huge economic potential. However, this potential is yet to be fully realised.

### Reform to Rebound

India, like much of the world, has been left reeling as a result of the black swan impact of COVID-19. Ensuring economic rebound is now an issue of high priority. The mining sector has the potential to play a crucial role in making this aspiration a reality both in terms of its own economic output as well as in responding to the demands of other allied/ dependent industries. Additionally, the sector has the capacity to create over 5 crore jobs directly and indirectly which will be vital given the widescale

unemployment that has been brought about by the current crisis. However, for the sector to do so efficaciously, there is a need to address the clear and present fallout of the pandemic, as well as the various issues that have hampered and hamstrung its growth.

This article proposes measures to suitably address identified challenges unique to the mining industry, both in general and as a result of the present crisis. In doing so, the article builds on the reform initiatives outlined in the NMP, viz., incentivising exploration through seamless transmission to mining, pre-identification of 'no-go areas', simpler and time-bound procedures for granting permits, harmonising royalty rates with international standards, and assuring security of tenure.

#### **Immediate Relief Measures**

At the outset, in order to grant relief from the plunging prices of minerals and slumping demand, it should be considered to offer rebates or reductions in royalty payments and contributions to the District Mineral Fund and National Mineral Exploration Trust. Another urgent relief measure to be considered is waiving the GST compensation cess on coking-coal for power intensive industries such as aluminium and steel.

#### **Addressing Systemic Issues**

##### *New Exploration Framework*

Exploration is an expensive and high-risk proposition with an extremely low success rate. The current dispensation for exploration contemplates a non-exclusive reconnaissance permit, and a composite licence (i.e., a prospecting licence cum mining lease). However, the present dispensation leaves a lot to be desired.

For starters, the non-exclusivity of the reconnaissance permit and the lack of in-built transition to mineral exploitation make the concession unattractive to the industry. With respect to composite licences, since it is the State Government that is responsible for notifying mineral blocks for auction, there is often undue delay in initiation of auctions, and the very real risk of blocks being considered sub-optimal by bidders. Another challenge is that of the mineral auction process being completed, only for environmental clearances to be refused – this results in much time, effort and investment being wastefully expended.

In order to address these issues, it may be considered for the Central Government and State Governments to work together to develop a mineral exploration atlas that divides the geography of India into grids. Based on the mineral atlas, applicants should be permitted to freely carve out an area and seek a composite license in respect of the same. Upon receipt of an application, the State Government should put up for auction the area so carved out by the applicant. The applicant may be given an incentive in the auction process (e.g., a right to match). The grant of the concession may be subject to checks in the form of periodic relinquishment and minimum investment requirements. This approach would be in line with the Open Acreage Licensing Policy currently in vogue in the Oil & Gas industry.

As an immediate measure, the Central Government should hasten the issuance of rules laying down requisite bidding parameters necessary to operationalise the newly introduced Section 10C of the Mines

and Minerals (Development and Regulation) Act, 1957 (whereby holders of non-exclusive reconnaissance permits for deep-seated minerals (i.e., minerals which occur at a depth of more than 300 meters, with poor surface manifestations) may be granted composite licences or mining leases).

#### *Simplifying Approvals Framework*

Presently, developers may expend considerable time and effort on a mineral block, only for environmental clearances to be subsequently denied. In this regard, the atlas described above should set out predefined 'no-go' areas where reconnaissance, prospecting or mining operations cannot be undertaken. Such areas may be identified based on the presence of reserve forests, sensitive eco-zones, coastal areas, defence land, et al.

Additionally, there are currently multiple permits that have to be variously obtained under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, and the Environment (Protection) Act, 1986 (and the rules and notifications issued thereunder). This creates multiple overlapping applications processes, despite mostly involving the same granting authority, i.e., the respective pollution control board.

In this regard, taking cue from this Government's earlier successful attempts to consolidate and streamline laws (e.g., labour, bankruptcy, etc.), the legislations and executive rules relating to environmental protection should be consolidated in a comprehensive code. In doing so, care should also be taken to restructure and rationalize the approvals process in a manner that avoids overlap and repetition, particularly when the granting authority is one and the same.

#### *Rationalising Royalty*

India's rates of royalty are amongst the highest in the world. This royalty plays a substantial part in driving up costs of production as well as the cost of end-use products produced from the mineral. The high incidence of royalties coupled with the flat structure of royalty discourages investment in mineral processing and value addition, which, in turn, impedes uptake of new technologies which may enhance sustainability and economic growth. Further, there are presently 60 different royalty rates for 55 minerals with varied bases, making India's royalty regime amongst the world's most cumbersome.

The rates of royalty should be rationalised by way of benchmarking the same with other mining jurisdictions, and ensuring appropriate incentives for efficiency, economical use of the resources, good performance and optimum investments. In particular, the constituent components of the base value on which royalty is charged should be reconsidered to avoid a situation of a 'royalty on royalty'. Further, to encourage competition amongst the states to attract investments, State Government's should be allowed to offer concessional rates of royalty similar to the practice in Australia and Canada.

#### *Tenure of Leases*

Currently, the law prescribes a fixed tenure of mining concessions that is unrelated to the actual mineral potential and realisable ore in a block. Such prescribed tenure of leases causes manifold problems. Firstly,



it leads to closure of mine prior to complete exhaustion of mineral resources, which runs contrary to the objective of mineral development and conservation. Secondly, reauctioning the block to a new lessee requires existing lessee to remove all the equipment thereby allowing the former to invest anew in requisite equipment/labour. This is time consuming and inefficient.

In order to avoid the above stated issues, the tenure of all the mining leases should be linked to exhaustion or depletion of minerals to such an extent that it is no longer economical to work the mineral. For existing leases, a similar allowance may be made subject to prescribed conditions, including payment of additional dues by the lessee over and above the existing royalties.

### **The Road Ahead**

The world presently faces an unprecedented economic challenge, and it is incumbent on governments to respond responsibly and demonstrably. To this end, policy makers and industry players should work together and put in concerted efforts to revive, rescue and rebuild the mining sector, thus aiding the country's overall economic recovery.

(with inputs and assistance from Shubhi Agarwal, Junior Associate)

**Note:** *Views are personal*

## OPENING UP OF MINES, FACTORIES AND PLANTS WITH SOPS THE NORMS & THE NEW NORMAL



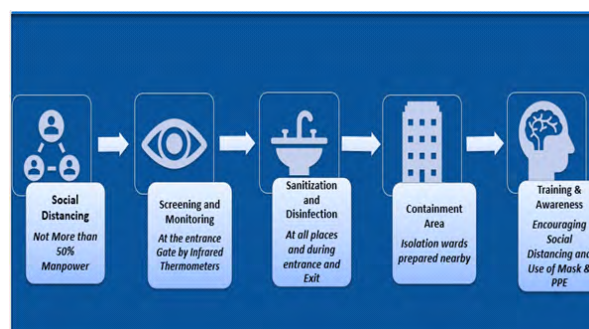
**Mr. Laxman Shekhawat**

Business Lead - Vedanta Zinc International, Vedanta Resources Ltd and  
Co-Chair, FICCI Non-Ferrous Metals Committee

**T**he Covid-19 global pandemic may well become the most defining economic and social event in decades. It is, and will continue to, impact the economic activity and social dynamics in profound ways. At this juncture, not only the lives and personal safety is important, but the industry survival and revival with overall economic development is key to the years ahead.

As per the recent Government guidelines, while reopening of factories has been allowed in various sectors, industry is facing challenges in terms of shortage of workers and other logistical hurdles. Moreover, since production is a function of demand, industry players expect only a gradual opening up.

Moreover, given the escalating level of the pandemic across the country, opening all factories together could pose a higher risk in regulating these factories and controlling the transmission of the virus. It is thus imperative that a gradual and progressive mandate is followed to allow the factories to operate in phases rather than simultaneously. Moreover, the factories, mines, plants, etc. may not be able to operate at the level they were operating earlier; to ensure a smooth transition and limit the spread of the virus, there could be specific norms & procedures these units can follow to serve the dual objectives of reducing the transmission of nCovid-19 and gradually increasing business activity to revive the sectors and the economy, as a whole. Elaborated below is a list of guidelines / initiatives that plants / manufacturing units / workplaces can follow to resume business operations during and post nCovid -19 for early revival of mining & metals sector. It also highlights the initiatives taken by Hindustan Zinc Ltd.



### Social Distancing: The New Normal

- Social distancing is mandatory at all time and this should at least 6 feet
- Staggered Employees in Shifts with working hours as per the government guidelines
- Less than 40% employees are engaged to work from offices and work from home is promoted
- Demarcations at 1.2 m done at all such places wherever gathering is possible like entrance gates, allocation points, assembly points, canteen etc
- Detailed guidelines are displayed across the location and awareness being given



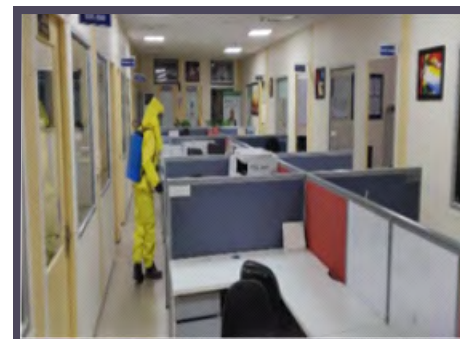
### Maintaining Health & Safety Standards and Guidelines at workplace: Key Measures

- 100% Screening at the entrance
- Self-Declaration by the employee
- Encouraging the employees to use “AROGYA SETU” App



### Sanitation & Disinfection: Critical Norms to Follow

- Hand Washing Facility provided at all prominent places
- Alcohol Based hand Sanitisers kept at all prominent places which is easily accessible to all persons
- Sanitizing all the vehicles mandatorily at the entrance
- Sanitizing working places mandatorily between shifts
- Disinfecting of all the Handrails, Door Handles, Office Desks and other office Places



**Covid19 Activities Framework: Precautions to follow around travel & Entry at Plants/Workplace**

- Public Transport should be Discouraged and Organisation Facility to be promoted
- Disinfection of Company Transport Facilities
- Mandatory Social Distancing & Usage of face Cover mask
- Thermal Screening during Boarding.
- Sanitization & Disinfection during boarding
- Window shall remain open & Spitting prohibited
- Inter unit employee travel prohibited
- Mandatory Handwashing before Entrance/Exit
- Mandatory Thermal Screening at the Entrance/Exit
- Staggering of shift by 1 hour
- Social distancing is mandatory, gathering strictly prohibited
- Biometric Suspended, Manual Entrance is promoted
- Non-essential visitors banned
- Disinfection of Vehicle before entrance / Exit with minimum vehicle
- Sanitation of the parking areas between shifts
- Alternate seating is only allowed



## DOMESTIC NEWS

### FM Nirmala Sitharaman unveils reforms in mineral mining sector

She said 500 blocks of minerals will be auctioned in a composite exploration-cum-mining-cum-production regime. Also, a joint auction of bauxite and coal blocks would be done to enhance the aluminium industry's competitiveness. This, she said, will help the aluminium industry reduce electricity costs.

PTI | Last Updated: May 16, 2020, 09:42 PM IST



New Delhi: Finance Minister Nirmala Sitharaman on Saturday announced major reforms in the mining of minerals through a seamless composite exploration-cum-production regime.

She said 500 blocks of minerals will be auctioned in a composite exploration-cum-mining-cum-production regime.

### Mining Sector Can Add Rs 4 Lakh Crore To GDP By Doubling Its Contribution

Topics  
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Last Updated at May 15, 2020 15:04 IST



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**ALSO READ**

Coronavirus: Ficci suggests more virus testing, economic measures and phase-wise lockdown relaxation

Need for policy intervention

Given the huge mineral wealth in India, if the sector doubles its contribution then there will be an addition of Rs 4 lakh crore to the GDP, said Dr Ajit Ranade, President & Chief Economist, Aditya Birla Group, while addressing a webinar today on 'Indian Mining & Metals Industry: Post nCovid19 and Early Revival' organized by FICCI. The mining sector will contribute

Source: <https://economictimes.indiatimes.com/news/economy/policy/fm-nirmala-sitharaman-unveils-reforms-in-mineral-mining-sector/articleshow/75775550.cms>

Source: [https://www.business-standard.com/article/news-cm/mining-sector-can-add-rs-4-lakh-crore-to-gdp-by-doubling-its-contribution-120051500721\\_1.html](https://www.business-standard.com/article/news-cm/mining-sector-can-add-rs-4-lakh-crore-to-gdp-by-doubling-its-contribution-120051500721_1.html)

### Subsume multiple levies into GST to cut tax burden on mining sector: Ficci

Overcoming multiple challenges coupled with disruptions due to coronavirus lockdown, Ficci has also sought deferment of royalty and contribution to DMF and the National Mineral Exploration Trust (NMET) by six months.

PTI | Last Updated: May 27, 2020, 09:23 PM IST



New Delhi: Industry body Ficci has sought subsuming all levies like royalty and contributions to the District Mineral Foundation (DMF) into one tax like GST to reduce the tax burden on the mining industry. The industry body argued that the mining sector is going through a tough time due to falling commodity prices and demand contraction.

### FICCI seeks infrastructure status for lockdown-hit steel sector

COVID-19 pandemic and subsequent nationwide lockdown have affected the demand and production of steel, as well as resulted in the rise of inventory levels, it said, adding the policy interventions would help the industry to revive and help generate employment opportunities.

PTI → May 03, 2020, 16:33 IST



New Delhi: Industry body Ficci has suggested various measures like infrastructure status to the steel industry, zero duty on critical raw materials, and another three-month moratorium to revive the sector, which has been impacted by the lockdown.

Source: <https://economictimes.indiatimes.com/news/economy/policy/subsume-multiple-levies-into-gst-to-cut-tax-burden-on-mining-sector-ficci/articleshow/75413056.cms>

Source: <https://auto.economictimes.indiatimes.com/news/auto-components/ficci-seeks-infrastructure-status-for-lockdown-hit-steel-sector/75519201>

## FICCI Calls For Facilitating Steel Sector's Growth To Revive Economy Post-Lockdown



FICCI recommended subsidising railway freight by an additional 15 per cent for the next six months with a change in class of iron ore from 160 to 145

Source: <http://www.businessworld.in/article/FICCI-Calls-For-Facilitating-Steel-Sector-s-Growth-To-Revive-Economy-Post-Lockdown/01-05-2020-190859/>

## FICCI suggests resuming operations of downstream industries to minimise COVID-19 impact on cement sector



Mumbai, May 5 (PTI) Industry body FICCI on Tuesday suggested the government to resume operations of downstream industries like real estate and construction of roads and highways to minimise the impact of COVID-19 pandemic on cement sector.

According to rating agency ICRA, cement demand is expected to decline by 10-12 per cent in the current fiscal year as construction activities across the country have come to a standstill since March 25 due to the ongoing lockdown.

Source: <https://www.outlookindia.com/newscroll/ficci-suggests-resuming-operations-of-downstream-industries-to-minimise-covid19-impact-on-cement-sector/1824518>

## Industry body FICCI seeks special package for metal, mining sectors post lockdown

FICCI has recommended that all levies like royalty, DMF, NMET etc. be subsumed into one tax like GST to reduce taxation burden on the industry.

Source: <https://www.thenewsminute.com/article/industry-body-ficci-seeks-special-package-metal-mining-sectors-post-lockdown-123489>

## ISSF Announces Winners of the Stainless Industry Awards

Steel News - Published on Thu, 21 May 2020



Image Source: ISSF

personally, but they will be sent to them.

International Stainless Steel Forum has announced the winners of their Awards in the New Technology, New Development, Safety and Sustainability categories during a webinar which replaced the traditional ceremony. Due to the global pandemic, the winners have not received their plaques

Source: <https://steeltguru.com/steel/issf-announces-winners-of-the-stainless-industry-awards/559555>

## FICCI recommends govt to allow construction work to resume to minimise impact on cement sector



FICCI recommends govt to allow construction work to resume to minimise impact on cement sector

FICCI further recommended fast tracking investment in infrastructure sector by front loading investment in National Infrastructure Pipeline as it would help in rejuvenating the demand for Indian cement sector.

New Delhi, May 5 (KNN) Industry body FICCI on Tuesday suggested the government to resume operations of downstream industries like real estate and construction of roads and highways to minimise the impact of COVID-19 pandemic on the cement sector.

"As the demand for cement is expected to drop drastically in this fiscal due to the nationwide lockdown, FICCI suggests that government should promote and resume operations of downstream industries like real estate, development of roads, highways, rivers and canals projects, among others," the industry body said in a statement.

Source: <https://knnindia.co.in/news/newsdetails/sectors/ficci-recommends-govt-to-allow-construction-work-to-resume-to-minimise-impact-on-cement-sector>

## Hindalco, JSPL, Adani, Coal India, and many more stocks that can benefit from India's sweeping reforms in coal and mineral sector

PREETI SONI AND SRIRAM IYER | MAY 16, 2020, 18:16 IST



Source: <https://www.businessinsider.in/india/news/hindalco-jspl-coal-india-companies-that-will-benefit-from-nirmala-sitharamans-reforms/articleshow/75775443.cms>

## Weak demand, oversupply to hurt steel industry post-lockdown: Ind-Ra

Domestic steel demand in FY21 is likely to drop by around 12-15 per cent year-on-year with end-use industries being closed down and limited demand growth expected over the near term

FTI | Last Updated: May 01, 2020, 06:26 PM IST



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New Delhi: Domestic steel makers are likely to face muted demand and oversupply which would lead to suppressed steel prices post-lockdown, according to a report by India Ratings (Ind-Ra). Besides, they are also expected to face issues with availability of workforce and logistics movement, the report released on Thursday said.

Source: <https://economictimes.indiatimes.com/small-biz/productline/building-materials/weak-demand-oversupply-to-hurt-steel-industry-post-lockdown-ind-ra/articleshow/75491992.cms>

## Top metals and mining cos opt for latest tech in safety push

From running drones to bringing face mask detection softwares, top metals and mining companies are adopting new digital and automation technology to ensure safety protocols in their labour-intensive mining fields in the wake of ongoing Covid-19 crisis.

By Bhavya Dilipkumar, ET Bureau | Last Updated: May 22, 2020, 08:57 AM IST



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Mumbai: From running drones to bringing face mask detection softwares, top metals and mining companies are adopting new digital and automation technology to ensure safety protocols in their labour-intensive mining fields in the wake of ongoing Covid-19 crisis. Mining operations are among the

Source: <https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/top-metals-and-mining-cos-opt-for-latest-tech-in-safety-push/articleshow/75882182.cms>

## BALCO adopts automation to enhance security

MUMBAI, MAY 16, 2020 22:53 IST  
UPDATED: MAY 16, 2020 22:53 IST

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Bharat Aluminium Company (BALCO), has announced that it has automated its Centralised Security Operations Centre (CSOC) to further strengthen the security of its people and operations.

The company is deploying technology across all functions and security automation is a firm step in this direction, the company said in a statement.

"In the wake of COVID-19, smart technology innovations deployed at BALCO have been playing a major role in ensuring business continuity as well as ensuring that all protocols laid out for social distancing are being adhered to," the company said.

Source: <https://www.thehindu.com/business/balco-adopts-automation-to-enhance-security/article31617710.ece>

## ICRA revises steel industry outlook to negative, estimates demand fall of 20% in FY21

"The first half of FY 2021 is expected to be challenging for steelmakers. Many buyers could prefer to sit at the sidelines, given the uncertain demand environment and liquidity pangs of steel consumers, amid dwindling sales and fixed cost obligations," said ICRA's senior vice-president, Jayanta Roy.

By Bhavya Dilipkumar, ET Bureau | Last Updated: May 15, 2020, 04:42 PM IST



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Rating agency ICRA has revised steel industry outlook to negative from stable as back-to-back extensions of lockdown is likely to result in a severe steel demand slowdown which is estimated to fall by 20% in FY21, ICRA said in a statement on Tuesday.

Source: <https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/icra-revises-steel-industry-outlook-to-negative-estimates-demand-fall-of-20-in-fy21/articleshow/75826232.cms?from=mdr>

### JSW Steel Sees Steel Demand Revival in H2 of 2020-21

Steel News - Published on Tue, 26 May 2020



Image Source: Steel Demand India

JSW Steel while declaring Q4 results said that "The outbreak of Coronavirus COVID-19 pandemic globally and in India is causing a significant disruption and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services and the uncertainty associated with the lifting or reimposition of these restrictions, have further aggravated the business environment. The Government of India announced a nationwide lockdown from 25th March 2020 to

prevent a community spread of the pandemic resulting in a significant reduction in economic activities. Most of the business operations are impacted by way of interruption in production, supply chain disruption, unavailability of workmen, closure and unavailability of various services etc. The phased easing of restrictions augurs well for the economic revival. Further India unleashed policy stimulus equivalent to 10% of GDP or INR 20 trillion."

Source: <https://steelguru.com/steel/jsw-steel-sees-steel-demand-revival-in-h2-of-2020-21/559701>

### Indian Aluminium Makers Ramp Up Exports

Metal News - Published on Fri, 22 May 2020

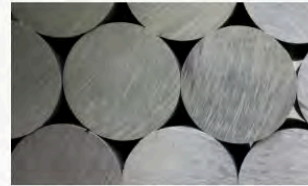


Image Source: Indian Aluminium Coronavirus

A recent sector report by Crisil said that Indian aluminium makers will sail through the impacts of the viral disruption smoothly with rising aluminium exports, lower input costs and cost efficiency strategies followed by the industry. It said "The lockdown has not affected production because aluminium is an essential commodity. However, domestic demand largely from the power transmission, automobiles and construction sectors has plummeted. The domestic sales

loss has been offset by companies adroitly exporting more, thanks to high cost-competitiveness that stems from improved sourcing and lower input costs. Aluminium price in FY 2021 started with 4-year lows of USD 1,450 per tonne on the London Metal Exchange, and domestic demand evaporated because of the Covid-19 pandemic-driven lockdown. While that will squeeze bottom lines this fiscal, efficient cost structure and adequate cash would buffer credit profiles and help them weather the viral disruption."

Source: <https://steelguru.com/auto/indian-aluminium-makers-ramp-up-exports/559586?tvpe=metal>

### JSPL Sees Stronger Demand Recovery for Long Products

Steel News - Published on Wed, 27 May 2020



Jindal Steel & Power Limited while announcing Q4 & 2019-20 results said that "UN Department of Economic and Social Affairs's mid-year World Economic Situation and Prospects estimates Global GDP to shrink by 3.2 per cent in CY2020. While the developed economies expected to see a contraction of 5% in growth, developing economies are estimated to contract by 0.7%. WESP expects India to grow by 1.2% for CY2020 and 5.5% in CY2021."

Source: <https://steelguru.com/steel/jspl-sees-stronger-demand-recovery-for-long-products/559746>

### JSW fortifies captive ore capability

Plans to start production from four mines recently acquired through public auction in Odisha from July 1, while three more smaller ones in Karnataka will come on stream by this fiscal

By Sambit Saha in Calcutta

Published 26.05.20, 5:08 AM • Updated 26.05.20, 5:08 AM

2 mins read



Source: <https://www.telegraphindia.com/business/jsw-steel-fortifies-captive-ore-capability/cid/1775877>



## INTERNATIONAL NEWS

### LIBERTY Steel Appoints Mr Paramjit Kahlon as CEO for Primary Steel and Integrated Mining Businesses

Steel News - Published on Tue, 19 May 2020



LIBERTY Steel Group has announced the appointment of Mr Paramjit Kahlon as CEO, Primary Steel and Integrated Mining, LIBERTY Steel Group. This newly created role will bring together all of LIBERTY's primary steel making and integrated mining operations into one global structure to drive synergies and operational efficiencies. Mr Kahlon has held senior positions at ArcelorMittal between 2008-2019, including as Chief Technical Officer, Chief Operating Officer and more recently as CEO for CIS and the Middle East. Mr Paramjit will oversee all of LIBERTY Steel Group's primary steel and integrated mining businesses located in Ostrava in the Czech Republic, Galati in Romania, and Whyalla and Tahmoor in Australia.

Source: <https://steelguru.com/steel/liberty-steel-appoints-mr-paramjit-kahlon-as-ceo-for-primary-steel-and-integrated-mining-businesses/559463>

### Associated British Ports & Tata Steel Sign Long-Term Port Talbot Agreement

Steel News - Published on Mon, 18 May 2020



Image Source: Tata Steel Associated British Ports

Tata Steel and Associated British Ports have entered into a new and improved 10-year agreement in respect of the supply of raw materials to the integrated steelworks via the deep-water harbour at Port Talbot and the handling of export finished products through the Port of Newport. The new agreement will provide additional opportunities for use of the north side of the jetty, following on from the lay-up of the deep-sea drill vessel Sertao during 2019. The new agreement will also facilitate improved access to port development land on the northern side of the port. It is envisaged that, taken together, these factors can help facilitate investment and create a number of new employment opportunities in the region.

Additionally, ABP will be working jointly on new projects with Tata Steel to build upon the forward-looking commercial relationship between both parties. Tata Steel has owned the steelworks in Port Talbot since 2007, a site which supports more than 4,000 jobs locally.

Source: <https://steelguru.com/steel/associated-british-ports-tata-steel-sign-long-term-port-talbot-agreement/559408>

### Canada Launches Probe into Heavy Plate Imports from Taiwan, Germany, South Korea, Malaysia & Turkey

Steel News - Published on Thu, 28 May 2020



Image Source: Heavy Plate

The Canada Border Services Agency announced that it is launching an investigation to determine whether certain hot-rolled carbon steel heavy plate and high-strength low-alloy steel heavy plate from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu in Chinese Taipei, Germany, South Korea, Malaysia, and Turkey are being sold at unfair prices in Canada. The subject goods are certain hot-rolled carbon steel heavy plate and high-strength low-alloy steel heavy plate. Heavy plate is commonly

used in the production of rail cars, oil and gas storage tanks, heavy machinery, agricultural equipment, bridges, industrial buildings, high-rise office towers, ships and barges, and pressure vessels.

Source: <https://steelguru.com/steel/canada-launches-probe-into-heavy-plate-imports-from-taiwan-germany-south-korea-malaysia-turkey/559762>

### Vale advances the climate agenda and announces an investment of \$2 billion over the next 10 years to reduce carbon emissions

Translation: (7:51AM) May 14, 2020 Source: jstc

**The content below was translated by Google automatically for reference.**

**SMM:** Vale aims to reduce range 1 and range 2 emissions by 33% by the end of 2030 and to promote carbon neutrality in the mining industry by the end of 2050.

Vale will invest at least \$2 billion to achieve a 33 per cent reduction in direct and indirect absolute emissions ("range 1" and "range 2" emissions) by the end of 2030. Vale's direct emissions come from its operations, while indirect emissions come from external resources involved in the production process, such as electricity consumption. This target is in line with the Paris Agreement, which sets a ceiling of 2 degrees Celsius for the increase in global average temperature by 2100 degrees Celsius.

Source: <https://news.metal.com/newscontent/101116778/Vale-advances-the-climate-agenda-and-announces-an-investment-of-2-billion-over-the-next-10-years-to-reduce-carbon-emissions/>

### 320 COVID19 Cases Reported at South African Mines

Mining News - Published on Thu, 28 May 2020



Image Source: South Africa Mine Coronavirus COVID19

Reuters reported that Minerals Council said that South Africa's mining industry has so far recorded 320 cases of the new coronavirus, as underground mines prepare to ramp up output when Africa's most industrialised economy eases lockdown measures next week. Minerals Council CEO Roger Baxter said "Clearly we are going to see an escalation in those numbers, but we will manage those numbers, do the screenings and keep people in isolation".

Mines across South Africa, the world's biggest producer of platinum and chrome and a leading producer of gold and diamonds, were forced to shut temporarily when a nationwide coronavirus lockdown began in late March. Open-cast mines have been allowed to work at full capacity again since May 1, while deep-level mines - where social distancing is more difficult - were restricted to 50%. President Cyril Ramaphosa on Sunday announced a further easing of the lockdown from June 1, allowing the vast majority of the economy to return to full capacity.

Source: <https://steelguru.com/mining/320-covid19-cases-reported-at-south-african-mines/559796#tag>

### Judge Orders Vale to Set Aside USD 1.5 Billion for Dam Collapse Damages

Mining News - Published on Thu, 28 May 2020



Image Source: Vale Tailing Dams

Brazilian state of Minas Gerais judge has partially granted an injunction sought by prosecutors by ordering Vale to set aside 7.9 billion reais (USD 1.5 billion) to pay potential fines related to the tailings dam collapse that killed 270 people last year. The figure adds to the 1 billion reais (USD 260 million at the time) in frozen funds a federal court ordered Vale to pay affected communities shortly after the deadly incident. Vale faces multiple legal actions over the incident, including

allegations that it was aware of the dam's unstable condition years before the accident happened.

Source: <https://steelguru.com/mining/judge-orders-vale-to-set-aside-usd-1-5-billion-for-dam-collapse-damages/559795#tag>

### TOMRA Introduces Virtual Demonstration & Test Sessions to Support Mining Operations

Mining News - Published on Wed, 13 May 2020



Image Source: .presspage.com

TOMRA Mining has developed virtual testing capabilities to help mining operations ensure their business and operational continuity, enabling them to take informed purchasing decisions for their sorting plants. This is the latest action in the company's plan to provide its customers all the support they need in the current situation and take their business forward. Ensuring business

continuity at this time is of paramount importance for mining operations. This includes taking forward ongoing investment projects in sorting equipment to improve their efficiency and the quality of their product. TOMRA Mining is leveraging digital technology to help them identify the best sorting solution for their mine by offering them remote access to its Test Center in Wedel, Germany, which has capabilities for all applications.

Source: <https://steelguru.com/mining/tomra-introduces-virtual-demonstration-test-sessions-to-support-mining-operations/559265>

### BHP Appoints Mr Weisler & Ms Clever to Board

Mining News - Published on Thu, 07 May 2020



Image Source: miningmagazine.com

BHP Chairman Ken MacKenzie announced the appointment of Dion Weisler and Xiaoqun Clever to the BHP Board as independent Non-executive Directors. Mr Weisler's appointment is effective 1 June 2020, and Ms Clever's appointment is effective 1 October 2020.

Source: <https://steelguru.com/mining/bhp-appoints-mr-weisler-ms-clever-to-board/559076>

## FICCI INITIATIVES

### Webinar on Indian Mining & Metals Industry: Post nCovid19 and Early Revival on May 14, 2020

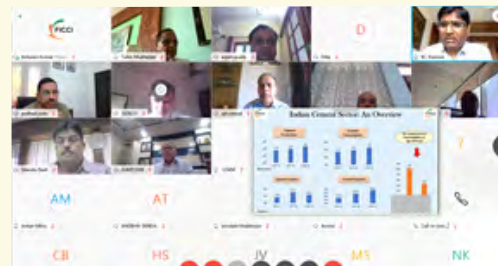


FICCI Mines, Metals & Cement Division organized a Webinar on Indian Mining & Metals Industry: Post nCovid19 and Early Revival on May 14, 2020.

The webinar highlighted upon insights & challenges, potential opportunities in the mining & metals sector while navigating through the new normal & measures required to facilitate the growth in the sector post nCovid19 to revive the economy as a whole.

### Interaction with the Mines Minister Sh. Pralhad Joshi

FICCI had an **Interaction with the Mines Minister Sh. Pralhad Joshi** on May 19, 2020 along with Chair / Co-Chairs & Senior Members of the Mining, Cement, Steel & Non-Ferrous Metals Committees to discuss around industry challenges and proposed remedial measures.



### Webinar on Opening Up of Mines, Factories and Plants with SOPs: The Norms & The New Normal on May 20, 2020



The key objective of the webinar was to share a perspective with other companies as to how they can operate with social distancing and other Government prescribed norms for both mines as well as the manufacturing plants. Here, mining and metal production companies which have successfully resumed operations during the lockdown were showcased as Case Study.

### Webinar on Life after Lockdown: Actions for Growth, Operational Efficiency & Business Agility on May 26, 2020

FICCI along with IBM organized a webinar titled **Life after Lockdown: Actions for Growth, Operational Efficiency & Business Agility** on May 26, 2020. The key objective of the webinar was to discuss crucial operational, business and customer issues during the pandemic crisis, while enabling employees to be safe, work remotely and continue to be valued; throwing light on technological solutions available for navigating through these unsettling times.



### Webinar on Impact of nCovid19 on Worldwide Steel Industry: Opportunities & Challenges for India on June 11, 2020



The key objective of the webinar was to discuss impact of nCovid19 on worldwide steel industry & its implications for India. It also highlighted the demand for steel & consumer insights in Indian perspective. Eminent speaker Dr. Edwin Basson, Director General, World Steel Association addressed the participants along with other industry experts, including Mr. V R Sharma, Managing Director, JSPL, Mr. Jayant Acharya, Director- Commercial & Marketing, JSW Steel and Mr. Pankaj Satija, Chief Regulatory Affairs, Tata Steel.

### Webinar on Atmanirbhar Bharat: Fostering Domestic Steel Usage in Oil & Gas Sector on June 16, 2020

Ministry of Steel organized a webinar titled **Atmanirbhar Bharat: Fostering Domestic Steel Usage in Oil & Gas Sector** along with FICCI as partner on June 16, 2020. The webinar aimed to enhance usage of domestic steel in the oil & gas sector and identify challenges the users face in terms of adopting domestic steel products.



The key objective of the webinar was to discuss opportunities for enhancing domestic steel usage in the oil & gas sector in the country, identifying current & future requirements for steel in the sector and development of capabilities / steel products meeting such requirements.

## FICCI INITIATIVES: COMMITTEE MEETINGS & INTERACTIONS

### FICCI Non-Ferrous Metals Committee Meeting & Interaction with Government Stakeholders on April 8, 2020



FICCI Non-Ferrous Metals Committee Meeting was held on April 8, 2020, followed by interaction with officials from Ministry of Mines, including Sh. A K Nayak, Joint Secretary Mines, & Sh. Alok Chandra, Economic Advisor, Ministry of Mines, Government of India.

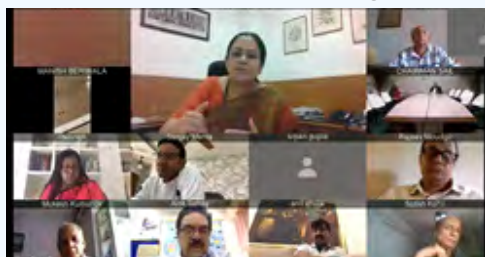
### FICCI Mining Committee & Interaction with Government Stakeholders on April 17, 2020

FICCI Mining Committee Meeting was held on April 17, 2020, followed by interaction with Government officials from Ministry of Mines, MoEF&CC and NITI Aayog, Government of India.



### FICCI Steel Committee VC and Interaction with Government on April 21, 2020

FICCI Steel Committee Meeting was held on April 21, 2020, followed by interaction with Government officials including Smt. Rasika Chaube, Additional Secretary, Ministry of Steel, Sh. Rahul Agarwal, ED (TT), Ministry of Railways & Sh. Sanjay Chadha, Additional Secretary, Ministry of Commerce & Industry, Government of India.



### FICCI Cement Committee Meeting on April 24, 2020

FICCI organized its first Cement committee for year 2020 over VC on April 24, 2020



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