

Mineral policy will spur FDI, protect risk capital investment: Mines minister

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Says investment in mining could go up to Rs5,00,000 crore, open up 10 lakh employment opportunities

New Delhi: The National Mineral Policy (NMP) 2008, approved by the Cabinet last night, will reduce time delays in disposing off mining applications, boost foreign direct investment and protect the risk capital to be invested and providing automatic mining rights to miners.

We are extremely happy the Cabinet has approved the NMP. Under the new policy entrepreneur who invest heavy risk capital will automatically get the mining lease. This will enable and protect their capital because to achieve the exploration of minerals we need heavy money, Minister of State for Mines T Subbarami Reddy told PTI.

He said the government would now take the Policy to Parliament and introduce an amendment Bill during the Budget Session to bring about suitable amendments in the Mines and Minerals (Development and Regulation) Act 1957, MCR Rules, 1960 and MCDR 1988 to give effect to the new policy.

The Cabinet approved the policy after factoring in the recommendations 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, Reddy said.

Delays in ensuring mining leases is believed to be a key reason behind meagre investments in the sector, which has the potential of roping in FDI worth Rs5,00,000 crore within five years and meet the growing production needs of the domestic steelmakers, he added.

Now I am confident investment in the mining sector will be enhanced by another Rs5,00,000 crore besides opening 10 lakh additional employment. "This will also minimize delays in disposing off mining applications, Reddy said.

He pointed out that the mineral-rich states of Orissa, Chhattisgarh, Jharkhand and Orissa would be given little more than a year to decide on the merit of the mining lease applications.

If these states remain undecided by that period, the applications would be decided the Mining Tribunals, Reddy added.

The Cabinet has also given its nod to setting up Mining Administrative Appellate Tribunal (MAAT), which would become operational within six months, the minister said.

However, it is understood that the Cabinet has not taken any decision on the contentious issue of iron ore exports and has left it to the Commerce and Finance Ministries to sort out the issue.

The mineral-rich states have something to cheer about as the Cabinet has okayed a proposal of the mines Ministry wherein the royalty revenue for these states would increase substantially, Reddy said.

Earlier, in a memorandum to the Prime Minister Chief Ministers of these states had asked for ad-valorem-based royalty structure on minerals.

Besides, the export levy should be passed onto the states, they said.