

Government coming up with many structural reforms in mining sector to realise its true potential: Shri Pralhad Joshi

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Union Minister for Coal and Mines Shri Pralhad Joshi said that the Government is coming up with many structural reforms in the mining sector to realise its true potential. Shri Joshi was addressing the 15th edition of Global Mining Summit and International Mining & Machinery Exhibition today.

“The proposed structural changes in the mining sector aim to increase participation of the private sector in mineral exploration, redefine the norms of exploration for auction of mineral blocks to ensure a seamless transition from exploration to production. They will also redefine the standard of exploration required for auctioning of blocks for prospecting license-cum mining lease and open acreage licensing policy for allocation of mining rights which will give a major boost to the production of minerals in the country”, Shri Joshi said.

Highlighting the proactive reform approach of the Government, Shri Joshi said that March, 2020 was a significant period during which leases of large number of working mines expired and they had to be auctioned immediately. The Government took a proactive and biggest industry-friendly step of transferring all statutory clearances to the new lessees by promulgating an ordinance. This was a major step to ensure seamless production of raw materials.

Shri Joshi said that the results of this particular reform have been encouraging and with this ordinance in place, recently Odisha has completed the successful auction of large number of iron ore mines. However, some of the successful bidders are trying to evade the process of auctions by delaying the production. He added that such cases will be dealt seriously and in coordination with the state government, the Ministry is contemplating to bring stringent provisions in the act so that non serious players are terminated and barred from future auctions.

The Government is fully committed to ensure that the auction of mineral resources of the country is a complete success and it generates revenue and employment for the state governments.

Shri Joshi said that the mining industry is a core to India's growth ambition of USD 5 trillion. India is endowed with vast natural resources and the industry has contributed in many ways to the country's economy like direct contribution to the GDP, indirect contribution through development of downstream industries and employment.

He said that in view of mining sector's interlinkages with industrial development, the government has also shifted its priorities in terms of availability of raw material, managing the country's economy and natural resources. It is government's priority to ensure that the regulatory environment is conducive to ease of doing business with simpler, transparent and time-bound procedures for doing business.

Elaborating upon the recent mining and coal sector reforms undertaken by the government, Shri Joshi said that apart from generating jobs, reducing dependence on fuel import and stimulating the economic growth, the opening of the coal sector to private players will garner hefty capital investment in the country over next 5-7 years.

FDI caps in the mining and exploration of metal and non-metal ores have been increased to 100% under the automatic route. The Geological Survey of India has almost doubled its exploration activity by implementing about 400 mineral exploration projects on various mineral commodities.

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