

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 619
ANSWERED ON 12.12.2022

IMPACT OF COVID-19 ON MINING SECTOR

619 # SHRI VINAY DINU TENDULKAR:

Will the Minister of MINES be pleased to state:

- (a) the extent of long-term impact of the COVID-19 Pandemic on mining industry and its productivity;
- (b) the extent of economic and commercial impact on the export of the remaining products after the processing of the products obtained from mining industry;
- (c) the number of persons engaged in this sector who lost their jobs during that time and the number of companies that have re-employed the employees expelled earlier; and
- (d) whether Government proposes to formulate any new policy in this regard, if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF MINES, COAL AND PARLIAMENTARY AFFAIRS
(SHRI PRALHAD JOSHI)

(a) to (d): The Government had taken the following steps to reduce the impact of COVID-19 pandemic on mineral production and mining sector:

- Ministry of Mines had recommended on the basis of which the Ministry of Home Affairs, vide its order dated 25.03.2020, included mineral production and activities incidental to mining operations as exceptions to industrial establishments that were directed to remain closed during Covid-19 epidemic.
- Ministry of Mines vide its letter dated 22.04.2020 requested Ministry of Environment Forest & Climate Change to consider annualizing the payment of Net Present Value (NPV) for issue of Forest Clearance and Chief Secretaries of the States to consider annualizing the upfront payment required to execute new lease.
- Ministry of Mines vide its letter dated 05.05.2020 requested all State Governments to consider the request of the leaseholders to invoke the force majeure clause of Mine Development and Production Agreement (MDPA) and to re-assess the quantity of mineral to be produced taking into account the ground realities and to give relaxation accordingly.
- Ministry of Mines vide its order dated 14.10.2021 issued directions to all State Governments under section 20A of the Mines and Minerals (Development and Regulation) Act, 1957 to extend the period of six months for execution of mining lease, execution of prospecting licence and for commencement of production and dispatch for the scientific and sustainable development and exploitation of minerals resources.

Though the Gross Value Added (GVA) by the Mining & Quarrying sector declined by 8.6 per cent from Rs. 3.22 lakh crore in 2019-20 to Rs. 2.94 lakh crore in 2020-21, it revived the very next year, with GVA by Mining & Quarrying sector increasing to Rs. 3.28 lakh crore in 2021-22 at a growth rate of 11.5 per cent. As far as minerals under the Mineral Conservation and Development Rules (MCDR) 2017 are concerned, the quantity and value of mineral-wise production from 2019-20 to 2021-22 are at Annexure-I. The quantity of

production increased in 2021-22 from the previous year i.e. 2020-21 of several minerals including iron ore, bauxite, chromite, copper ore/ concentrate, limestone, lead & zinc ore, amongst others.

Minerals produced by the mining industry are processed for further production of refined metals (intermediary) and articles thereof (finished product). The export of refined metals and articles thereof, in which India has sufficient production, and sales realization of such refined metals (in per tonne value) in 2019-20, 2020-21 and 2021-22 is at Annexure-II. The export of refined metals and articles thereof, namely Iron and Steel and Aluminium, and the export of Lead metal increased in 2021-22 compared to 2020-21 both in value and volume terms. Sales realization of metals viz. Iron & Steel, Aluminium, Lead and Zinc increased during the year 2021-22. Sales realizations in respect of non-ferrous metals are dependent on the London Metal Exchange price.

As far as employment is concerned, the average daily employment in mines under MCDR 2017 had reduced from 1,11,363 in 2019-20 to 99,491 in 2020-21. However, as per provisional estimate, the average daily employment in mines has increased to 1,09,299 during 2021-22, which is close to the pre COVID-19 average daily employment level.

On account of the various measures taken by the Government, there is strong growth in 2021-22 in various parameters viz. mining and quarrying GVA, mineral production, metal export and average daily employment in mines, and there is no long-term impact of COVID-19 pandemic.

Production of minerals under MCDR, 2017 in 2019-20, 2020-21 and 2021-22 (P)

(Value in Rs. thousand)

Minerals	Unit	2019-20		2020-21		2021-22(P)	
		Quantity	Value	Quantity	Value	Quantity	Value
Metallic Mineral							
Bauxite	tonne	21,825,227	16,299,333	20,380,548	16,793,447	22,493,947	24,767,048
Chromite	tonne	3,929,260	32,134,395	2,830,413	21,862,796	3,785,625	47,298,073
Copper Concentrate	tonne	124,586	8,448,405	108,718	8,533,354	114,421	10,951,112
Copper Ore	tonne	3,952,472	-	3,272,915	-	3,569,632	-
Gold Ore	tonne	595,511	-	437,669	-	491,160	-
Gold Primary	kg	1,742	6,495,723	1,127	5,475,470	1,251	6,011,677
Iron Ore	000 tonne	244,083	496,430,578	205,042	527,292,469	253,974	963,813,280
Lead & Zinc Ore	tonne	14,479,032	-	15,455,342	-	16,338,461	-
Lead Concentrate	tonne	351,746	18,260,832	376,923	18,810,483	368,040	22,366,174
Manganese Ore	tonne	2,910,186	18,849,100	2,703,313	17,415,460	2,695,991	22,240,539
Silver	kg	609,340	25,616,104	705,796	42,664,424	647,140	42,123,586
Tin Concentrate	kg	15,530	10,337	16,865	10,413	26,383	32,129
Zinc Concentrate	tonne	1,446,824	60,438,504	1,513,996	63,127,101	1,594,087	81,815,820
Sub-total		**	682,983,311	**	721,985,416	**	1,221,419,438
Non-Metallic Mineral							
Diamond	carats	28,816	352,472	13,917	147,696	266	18,051
Fluorite (Graded)	tonne	1,315	8,844	1,052	8,018	1,237	8,831
Garnet	tonne	568	1,775	7,114	26,378	8,182	29,880
Graphite	tonne	34,674	55,907	35,386	87,147	57,264	95,192
Iolite	kg	90	579	16	73	27	191
Kyanite	tonne	3,498	12,728	4,925	9,251	9,432	17,578
Limeshell	tonne	4,600	18,730	-	-	100	220
Limestone	000 tonne	359,464	88,890,081	349,120	86,484,948	392,760	97,349,554
Magnesite	tonne	102,554	351,947	74,661	314,677	113,495	450,169
Marl	tonne	2,148,854	412,464	2,216,414	417,183	1,853,481	326,499
Moulding Sand	tonne	12,905	3,766	14,363	4,150	16,843	5,080
Phosphorite	tonne	1,400,189	4,731,314	1,455,829	4,694,525	1,395,079	7,616,477
Rock Salt	tonne	130	1,447	486	14,156	286	6,125
Selenite	tonne	2,154	4,206	402	602	756	1,021
Siliceous Earth	tonne	19,367	11,710	23,823	14,686	31,783	21,209
Sillimanite	tonne	13,221	37,903	11,110	13,987	3,432	7,973
Sulphur	tonne	900,942	-	737,337	-	880,857	-
Vermiculite	tonne	2,774	3,347	1,260	2,157	3,061	3,768
Wollastonite	tonne	124,757	139,695	103,902	122,210	108,383	99,265
Sub-total		**	95,038,914	**	92,361,845	**	106,057,083
Grand Total		**	778,022,225	**	814,347,261	**	1,327,476,521

Source: MCDR Returns, Indian Bureau of Mines

Note: MCDR minerals with no production during the period has not been included in the table

(P): Provisional; **: Not additive

Export and sales realization of refined metals and articles thereof where India has sufficient production*(Export quantity in million tonne, Export value in Rs. crore)*

#	HS Code	Commodity	2019-20		2020-21		2021-22		Per tonne value (Rs.)		
			Quantity	Value	Quantity	Value	Quantity	Value	2019-20	2020-21	2021-22
1.	72	Iron and Steel	14.621	65,775	21.332	89,928	23.848	1,70,591	44,987	42,159	71,533
	73	Articles of Iron or Steel	3.273	49,843	2.679	48,761	4.294	65,934	-	-	-
2.	76	Aluminium and Articles thereof	2.371	36,105	2.736	42,776	3.454	79,169	-	-	-
	7601	Aluminium metal	1.961	25,898	2.324	31,709	2.932	62,244	132,056	136,425	212,274
	7603-7616	Secondary Aluminium and articles thereof	0.404	10,142	0.406	11,007	0.512	16,764	-	-	-
3.	78	Lead and Articles thereof	0.175	2,642	0.177	2,585	0.230	4,054	-	-	-
	7801	Lead metal	0.171	2,571	0.173	2,515	0.227	3,994	150,352	145,757	175,825
	7803-7806	Articles of Lead	0.004	71	0.004	69	0.003	59	-	-	-
4.	79	Zinc and Articles thereof	0.213	4,037	0.300	5,510	0.283	7,495	-	-	-
	7901	Zinc metal	0.201	3,798	0.291	5,273	0.274	7,178	188,778	180,883	262,409
	7903-7907	Articles of Zinc	0.011	238	0.008	237	0.010	317	-	-	-

*Source: Department of Commerce**Note 1: Harmonized System (HS) of Nomenclature is a standardised system that classifies goods all over the world in a systematic manner**Note 2: As there are number of items under articles of metals, sales realization has not been determined*
