

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
UNSTARRED QUESTION NO- 508
ANSWERED ON 16.09.2020

CONTRIBUTION OF MINING SECTOR IN GDP

508. DR. AMAR SINGH:

Will the Minister of MINES be pleased to state:

- a. Whether the mining sector contributes about 3 per cent to GDP and the sector's contribution to GDP should more than double for the country to reach a double-digit growth rate and if so, the steps taken/to be taken by the Government in this direction;
- b. Whether mining provides great economic opportunities for resource-rich countries, the process of mining creates challenges and risks for the well-being of people and the environment and if so, the measures taken/being taken by the Government to manage mining in a way that contributes to and does not jeopardize sustainable development; and
- c. Whether the management of mining at all stages, from exploration to mine closure, requires serious consideration of social and environmental impacts, and if so, the steps taken/being taken by the Government in this regard?

ANSWER

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

(a): The share of mining & quarrying sector in the gross value added (GVA) was around 2.7% in 2019-20 (provisional estimates) as per Ministry of Statistics and Programme Implementation, Press Release dated 29th May, 2020. Minerals are a valuable natural resource that are vital raw material for the core sectors of the economy. To achieve higher growth rate, contribution of mining sector has to increase. Important steps taken by the Government to increase contribution of mining sector are:

- i. the Mines and Mineral (Development and Regulation) Act, 1957 [MMDR Act] was amended in 2015 and inter-alia, e-auctions for the grant of mineral concession to ensure transparent process of allotment of mineral blocks was introduced. National Mineral Exploration Trust (NMET) has been set up to carry out regional and detailed exploration for minerals.
- ii. the National Mineral Policy 2019 issued in February 2019 which envisages, inter-alia, that 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;
- iii. the MMDR Act was amended in January 2020 for transfer of clearances to successful bidders upto a period of two years;

iv. Ministry of Mines has issued guidelines on 03.06.2020 regarding pre-embedded clearances.

v. further, in order to make India Atmanirbhar, major policy decisions have been taken, viz introduction of a seamless composite exploration-cum-mining-cum-production regime to boost private sector participation specially in exploration; 500 mining blocks would be offered through an open and transparent auction process; joint Auction of Bauxite and Coal mineral blocks; remove distinction between captive and non-captive mines; formulate Mineral Index for different minerals.

vi. to expedite the process of Environmental Clearance(EC), the Ministry of Environment, Forest and Climate Change (MoEFCC) has issued Standard Term of Reference (ToR) and Standard EC Conditions, which help the project proponent to begin the preparation of the EIA/EMP Report (Environmental Impact Assessment and Environmental Management Plan) even before applying for ToR. The process of grant of EC has been decentralized by allowing mining lease up to 100 Ha to be appraised at the State Level itself, which was previously 50 Ha. To make the application process simpler, MoEFCC has developed online portal 'PARIVESH' through which project proponent can apply for various clearances.

(b) India is blessed with mineral resources, which provides opportunities to meet country's need and to become self-sufficient. Extraction of mineral resources impacts forests, environment and ecology. The National Mineral Policy 2019 has emphasized sustainable development in mining sector. Environmental, economic and social considerations must be taken into account as early as possible in the decision-making process, to ensure sustainable development in the mining sector which envisions mining as financially viable; socially responsible; environmentally, technically and scientifically sound; with a long term view of development; uses mineral resources optimally; and, ensures sustainable post-closure land uses.

MOEFCC has been continuously updating its policies so as to make the clearance process simpler and faster and at the same time improving the quality of appraisal and stipulating the specific conditions for any mining operation in the country so as to minimize and mitigate the social and environmental impact of the mining.

(c) The MMDR Amendment Act, 2015 mandated the setting up of District Mineral Foundation (DMFs) in districts for the interest and benefits of persons and areas affected by mining related operations. DMF has been set up in 574 districts. Further, the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) is to be implemented by the DMF of the respective district using the funds accruing to the DMF. The Government has launched a Scheme of Star Rating of Mines/mining leases for implementation of Sustainable Development Framework (SDF).
