National Mineral Policy 2019

Why in news?

The Union Cabinet has recently approved the National Mineral Policy 2019.

How did the policy come about?

- National Mineral Policy 2019 replaces the extant National Mineral Policy 2008 ("NMP 2008").
- The Supreme Court in 2017 made a direction to the government to review NMP 2008.
- So the Ministry of Mines constituted a committee under the chairmanship of Dr. K Rajeswara Rao, Additional Secretary, Ministry of Mines to review NMP 2008.
- The Committee Report was submitted to the Ministry of Mines, based on which the National Mineral Policy 2019 was finalized.

What is the objective?

- The New National Mineral Policy will ensure more effective regulation and will lead to sustainable mining sector development.
- It aims to bring in further transparency, better enforcement, balanced social and economic growth.
- This could significantly address the issues of project affected persons especially those residing in tribal areas.
- Besides, the Policy aims to
    i. ease merger and acquisition of mining entities
    ii. attract private sector participation in exploration
    iii. allow transfer of mining leases
    iv. create dedicated mineral corridors

What are the key provisions?

- **Industry status** - The NMP 2019 proposes to grant industry status to mining activity.
- This is to boost financing of mining for private sector and for acquisitions of mineral assets in other countries by private sector.
- **Right to first refusal** - Earlier, if a firm that has a reconnaissance permit (RP) finds evidence of minerals, it has to inform the government.

- The government will then auction off the area.
- But under the new policy, such firms will get the right of first refusal i.e. the same firm would be given the area for mining.
- **Private sector** - NMP 2019 talks of rationalising reserved areas earmarked for PSUs which have not been used; these areas will now be put to auction.
- This will give more opportunity to the private sector for participation in mining activities.
- The policy also underlines the need to harmonise India's tax, levy and royalty rates to global benchmarks to draw higher private participation.
- **Transportation** - NMP 2019 focuses on use of coastal waterways and inland shipping for evacuation and transportation of minerals.
- It also encourages dedicated mineral corridors to facilitate the transportation of minerals.
- **Fund** - The policy calls for the utilization of the district mineral fund for equitable development of project affected persons and areas.
- **Export Import** - NMP 2019 proposes a long term export import policy for the mineral sector as an incentive for investing in large scale commercial mining activity.
- **Inter-Generational Equity** - NMP introduces the concept of Inter-Generational Equity that deals with the well-being of both the present generation and future generations.
- It also proposes to constitute an inter-ministerial body to institutionalize the mechanism for ensuring sustainable development in mining.
- **Regulation** - For regulation of the Minerals sector, E-Governance, IT enabled systems, awareness and information campaigns will be incorporated.
- Online public portal with provision for generating triggers at higher level in the event of delay of clearances by the state has been put in place.

Source: Financial Express, Economic Times, PIB

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