

LS PASSES MMDR AMENDMENT BILL

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

Pralhad Joshi

The Lok Sabha on Friday passed a Bill to amend the Mines and Mineral (Development and Regulation) Act (MMDR Act) through a voice vote, with Mines Minister Pralhad Joshi stating that the amendments will create jobs and allow private players with enhanced technology into the mining sector.

“The reform in the mining sector would generate 55 lakh direct and indirect jobs. To enhance mining activity, we will allow the private sector with enhanced technology in mineral exploration,” Mr. Joshi told the Lok Sabha while moving the Bill. He said India produces 95 minerals and has same potential like South Africa and Australia but the mining sector was under-explored and India still had to import minerals like gold and coal.

The Minister said the mining sector right now contributes 1.75% to the country’s GDP but the proposed reforms will raise the contribution to 2.5% as it seeks to make a large number of mines available for auctions by resolving legacy issues.

Mr. Joshi said the Bill removes the distinction between captive and non-captive mines and seeks to introduce an index-based mechanism by developing a National Mineral Index (NMI) for statutory payments. The National Mineral Exploration Trust (NMET), to see the functioning of the sector, will be made an autonomous body.

‘Exclude tribal areas’

Taking part in the debate, Congress MP Vincent Pala asked why the Mines and Minerals Bill was being amended every year and said either the officials of the Ministry were incompetent or some lobby was at work. He asked the government asked to exclude tribal areas under the Sixth Schedule.

“We are not against mining operations but we are against the way the hasty auctions which you are doing,” S.S. Ulaka, another Congress MP said. He suggested that a joint committee that included tribal members of Parliament, those from mining areas, besides officials from the ministries of Tribal Affairs ministry, Environment and Forest ministry and Mines Ministry should be formed.

Extending his support to the Bill, Biju Janata Dal MP, Pinaki Misra said the Mines Ministry and the Environment Ministry should work in synergy to promote the growth of the sector.

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