

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1688

ANSWERED ON:11.03.2008

FDI IN MINING SECTOR

Patel Shri Kishanbhai Vestabhai; Sai Shri Nand Kumar; Singh Shri Sugrib

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government has formulated any policy for allowing 100 per cent Foreign Direct Investment in the mining sector;
- (b) if so, the details thereof;
- (c) the details of various proposals signed and the actual FDI investment made in the mining sector during each of the last three years as on date, State-wise;
- (d) whether the Government has fixed any targets for the mining sector during the said period, State-wise; and
- (e) if so, the details and achievements made so far during the said period, State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a) & (b): As per the extant policy, Foreign Direct Investment (FDI) up to 100% is allowed under the automatic route in Mining sector covering exploration and mining of diamonds & precious stones; gold, silver and minerals. This is subject to Mines & Minerals (Development & Regulation) Act, 1957.

The FDI policy, permitted FDI up to 74% in Atomic minerals in the policy on mining of beach sand minerals notified vide Government of India Resolution dated 6-10-1998.

In the recent review of the FDI policy, Government has approved FDI up to 100% with prior approval of the Government in Titanium bearing minerals & ores and its value addition subject to the sectoral regulations and the Mines and Minerals (Development and Regulation) Act, 1957. FDI for separation of titanium bearing minerals & ores will be subject to the following additional conditions:

- (i) value addition facilities are set up within India along with transfer of technology;
- (ii) disposal of tailings during the mineral separation shall be carried out in accordance with regulations framed by the Atomic Energy Regulatory Board.

No FDI is permitted in mining of atomic minerals.

(c): A State-wise statement on FDI approvals given and inflows received in the mining sector during the last three years is at annex.

(d) & (e): Under the liberalised economic environment, investment decisions, including choice of location, are taken by the entrepreneurs based on their techno-economic judgements and commercial considerations. No target is fixed for FDI including in the mining sector.