

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:2594
ANSWERED ON:11.03.2011
PARLIAMENTARY PANEL ON ILLEGAL MINING
Naik Dr. Sanjeev Ganesh;Sule Supriya

Will the Minister of MINES be pleased to state:

- (a) whether pointing out that illegal mining has become an endemic feature, a parliamentary panel has recommended banning of injudicious exports of natural resources like iron ore;
- (b) if so, the details thereof;
- (c) if so, whether the recommendation was made only after huge public outcry over massive loot of national wealth by mining mafias in several mineral rich States;
- (d) if so, whether the Government has considered the suggestion of the house panel; and
- (e) the time by which it is likely to be implemented?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINES(SHRI DINSHA PATEL)

(a) to (e) : No, Madam. The Government had constituted a High Level Committee (HLC) on 14.09.2005 under the Chairmanship of Shri Anwarul Hoda, Member, Planning Commission to review the National Mineral Policy and to suggest changes in the Mines and Minerals (Development and Regulation) Act, 1957, in order to give a fillip to the investment in the mining sector. The HLC, in its Report of 2006, recommended that illegal mining can be checked by improved standards of governance and better management of the concession system, particularly timely and efficient processing of grant and renewals, and quick decisions on statutory clearances and approvals. The issue of export of iron ore was also considered by HLC and it recommended that there is no need to impose any quantitative restrictions on exports but the position should be reviewed after 10 years. The Committee recommended that an export duty may be levied on exports of iron ore in lump form with Fe content above 65%. This issue of ban on export was also referred to a Group of Ministers under the Chairmanship of Shri Shivraj Patil, Hon'ble Home Minister, which held that in view of current availability of iron ore resources and the installed capacity in steel sector there is no need for quantitative restriction or capping of export of iron ore. The GoM agreed to the recommendation of the Hoda Committee that restrictions on export of iron ore are not required, while holding that even though conservation of iron ore resources of the country is of paramount importance, the same may not be achieved by banning or capping the export of iron ore but by taking recourse to appropriate fiscal measures. The GoM also held that the issue of taxation on export of iron ore would be appropriately addressed in the budgetary exercise.