

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:963
ANSWERED ON:05.08.2011
FDI IN MINING SECTOR
Biswal Shri Hemanand

Will the Minister of MINES be pleased to state:

- (a) the total inflows of the Foreign Direct Investment (FDI) received by the mining sector during the last three years and the current year;
- (b) the details of such investment vis-à-vis domestic investment in mining sector;
- (c) whether such huge investments in mining has caused any deliverable benefits for the local populations of mining areas; and
- (d) if so, the details thereof?

Answer

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

(a): The Foreign Direct Investments (FDI) inflow into the mining sectors during the last three years are as follows :

Sl. No. Year (April to March) FDI in Rs. crore FDI in US\$ million

1	2008-09	161.09	34.16
2	2009-10	829.92	174.40
3	2010-11	357.42	79.51
4.	2011-12 (April to May)	436.61	98.28

Grand Total 1,785.04 386.35

(Source : Department of Industrial Policy & Promotion)

(b): The National Mineral Policy for non-fuel and non-atomic minerals, has thrown open the mining sector for private investment including foreign direct investment (FDI). The above policy envisages, inter-alia, foreign technology and foreign participation in exploration and mining of high value and scarce minerals. FDI upto 100% is allowed in exploration, mining, mineral processing and metallurgy under the automatic route for all non-fuel and non-atomic minerals including diamonds and precious stones. FDI approval granted is only for equity participation in a Company incorporated in India. The companies are required to apply to the concerned State Governments, which are the owners of minerals in their respective territorial jurisdictions, for mineral concessions. The domestic investment in the mining sector is not centrally monitored. Therefore comparison between FDI and domestic investment and their deliverable benefits are not available.

(c) & (d): The Foreign Direct Investment in exploration and mining in India is not considered huge in comparison to the total domestic sector, whose annual production is estimated to be in excess of Rs. 2 lakh crores during 2010-11. In so far as deliverable benefits to local population from investments are concerned, investment from FDI as well as domestic investments are both subject to the same policy and legislative framework and it is not possible, keeping also in view the quantum of Foreign Direct Investment, to distinguish between domestic and foreign investment in so far as deliverable benefits to local population are concerned, and benefits in terms of direct and indirect employment and other income generation have accrued in both cases.