



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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