



## National Mineral Policy, 2019

The Union Cabinet recently approved the National Mineral Policy, 2019 (NMP 2019). This policy aims to ensure effective regulation and sustainable development of the mining sector.

### Key Features of the Policy

- The policy **proposes to grant status of 'industry' to mining activity** to boost financing of mining for private sector.
- It focuses on use of coastal waterways and inland shipping for evacuation and transportation of minerals and also **encourages dedicated mineral corridors to facilitate the transportation of minerals**.
- It also **makes efforts to harmonize taxes, levies & royalty** with world benchmarks to help private sector.
- The Policy also mentions rationalizing reserved areas given to PSUs which have not been used and opening these areas to auction, which will give more opportunity to private sector for participation.
- It encourages the private sector for taking up the exploration.
- It even mentions that long term import export policy for mineral will help private sector in better planning and stability in business.
- It also provides for **maintenance of database of mineral resources** and tenements under mining tenement systems.

### Impact

- Transportation of minerals through water channels is much cheaper and economical than the conventional methods. Also, **development of inland waterways will lead to integration of 12 states that produce minerals**.
- **Dedicated Mineral Corridors** will help in reducing cost of transportation, pollution and will also provide boost to export revenues.
- Most of the minerals in India are in hilly regions or at the places where tribes are there, where development has not taken place i.e. no proper physical or social infrastructure. **District Mineral Fund will help in development of every district from where minerals are extracted**.
- Proper utilization of 'District Mineral Fund' will help not only in improving basic amenities like water, health care and skills in a local area but also lead to sustainable development.
- The new policy will help in **saving the environment** by educating people and providing the requisite skills.
- Private Sector will be able to generate output from those reserved areas which have yet not been utilized by the PSUs.
- Once mining industry gets an industrial status, **it will be easy for entrepreneurs to get finance from banks and other institutions**.
- Maintenance of Database will help entrepreneurs in identifying the areas where minerals are located and thus will be able to plan their activities accordingly.

### Way Forward

- There **should be transparency in utilizing the 'District Mineral Fund'**.
- Support from Ministry of Shipping, Ministry of Highways and Ministry of Railways is required for the

successful working of mineral corridors.

- **A separate task force on 'Mineral Corridors'** will help in identifying the bottlenecks in the smooth transportation of minerals.
- **Government needs to subsidize the cost of mining to stop import of those minerals that can be mined in India.**
- Dedicated fast track courts on mineral issues will not only attract investments but will also provide fillip to exports.
- **Investment in R&D** in the mining sector under 'Make in India' initiative is necessary for reducing the cost of mining in India, thus providing employment opportunities to people and saving foreign exchange.

*Proper implementation of the policy is necessary for economic progress of mineral-rich states and hence of the entire nation.*

PDF Reference URL: <https://www.drishtias.com/printpdf/national-mineral-policy-2019>

