



FEDERATION OF INDIAN MINERAL INDUSTRIES

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B/8/20/593

13 July, 2020

Shri Sushil Kumar
Secretary to the Government of India
Ministry of Mines
Shastri Bhawan
New Delhi – 110 001

Dear Sir,

Sub: Job creation during COVID-19

In a research conducted by us on Employment in Mining (copy enclosed for ready reference), we had brought out that as a result of the mines expiring on 31st March, 2020, there will be a loss of 2,64,000 jobs (please refer to page 21). The mines were duly auctioned and the possession has already been handed over to the new allottees. So far, even after four months, not a single mine has started operation.

2. It will take some more time for these mines to be operational as most of the allottees who have made unsustainably high bids are now taking time to commence operations. As a result, the unemployed workers, engaged directly and indirectly, continue to be on the road during the present difficult time.

3. As per the press report, the Government of India intends to repeal Section 10A(2)(b) from the MMDR Act, 1957. As a result, the large amount of money invested by the existing concession holders is at risk, besides the country losing its face before the investment community – both domestic and international.

4. If Section 10A(2)(b) is not repealed and the existing concessionaires are allowed to convert their RP to PL and PL to ML, there will be additional job creation through these 572 concessions (179 PL and 393 ML). Taking an average of 100 employees per mine in the initial stage, there will be an employment generation of 39,300 jobs directly. Since the ratio of direct to indirect employment in mining sector is 1:10, the total employment generation will be 4,32,000 jobs (39,300 direct and 3,93,000 indirect employment).

5. We therefore request that the repealing of Section 10(A)(2)(b) may not be pursued and the existing concession holders be allowed to convert their RP into PL and PL into ML.

6. We hope that our request would merit your sympathetic consideration.

Thanking you,

Yours faithfully,

(R.K. SHARMA)
SECRETARY GENERAL

***EMPLOYMENT IN MINING:
A case of missed opportunities
- prospects for future***

August, 2019



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Table – III (g)
Status of non-captive leases expiring on 31st March, 2020

S. No.	State	Working Mines	Non-Working Mines	Total Mines
1.	Andhra Pradesh	3	6	9
2.	Goa	0	184	184
3.	Gujarat	5	6	11
4.	Himachal Pradesh	1	1	2
5.	Jharkhand	6	12	18
6.	Karnataka	6	42	48
7.	Madhya Pradesh	1	12	13
8.	Maharashtra	0	9	9
9.	Odisha	24	7	31
10.	Rajasthan	2	2	4
Total		48	281	329

Source: Ministry of Mines' CCEC meeting held on 12th Oct, 2018 at Ahmedabad

3.32 The details of the mineral-wise mining leases expiring on 31st March, 2020 are as under:

Table – III (h)
Mineral wise leases expiring on 31st March, 2020

Mineral	Working	Non-working	Total
Iron ore	24	208	232
Manganese ore	7	14	21
Bauxite	6	8	14
Limestone	2	21	23
Chromite	4	-	4
Graphite	-	2	2
Garnet	-	1	1
Others	5	27	32
Total	48	281	329

3.33 The closure of mining activities in India has already led to a loss of large number of jobs and lease expiry of additional 48 working mines on 31st March, 2020 will further add to the unemployment crisis. However, many of these mines are large and employ hundreds of workers. 50% of these working mines are of iron ore, most of which have large production capacity, some mines employing 1000 or more people. Assuming the average employment in these working mines to be 500, there will be loss of 24,000 direct jobs (=48 mines x 500 people) and 2,40,000 indirect jobs. Hence, closure of the working mines expiring on 31st March, 2020 will lead to loss of 2,64,000 jobs (=24,000 direct jobs + 2,40,000 indirect jobs). Closure of these mines will create serious disruption to mineral supply-chain and employment across the country.