

EXECUTIVE SUMMARY

The Government of India took a giant step forward in its economic and industrial reform policy when it opened up in 1993 its hitherto virtually monopolistic ownership of the Indian mines and mineral sector, for not only the Indian private sector but also for foreign participation. Thirteen major minerals were de-reserved for exploitation. Fifty percent foreign equity participation was brought under an automatic approval system by the Reserve Bank of India with provision for larger participation to be considered on merit. Fifteen minerals were deleted from those requiring state governments to obtain prior approval from the Central Government for the granting of a mining lease or a prospecting licence. Appropriate enabling amendments to the relevant legislation were carried out in January 1994, thus putting a legislative seal to the policy.

India has a large manufacturing capability for mining machinery and equipment in the public and private sectors. However, India continues to import machinery and equipment on a need basis, especially under projects involving foreign assistance. India's technology level requires updating and with the public sector mining companies virtually starved of budgetary funding and the Indian private sector having rather poor financial resources for infrastructural development, foreign participation in both the mining and machinery manufacturing segments has good prospects. In fact, already several Canadian and other foreign companies have established their operations in India. While several others are actively looking into their prospects for participation in the Indian mining and mineral sector as a whole.

India's trade and tariff policies are attuned to this new regime of liberalisation in the mining and minerals sector.

India possesses substantial capabilities to undertake R & D and provide a range of services, including consultancy services. However, this sector is also open for foreign participation, as is the environmental sector. Canada, with its vast experience in this field, has tremendous potential for collaboration in this sector as well.

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