

A notable feature of the Indian demographics is the existence of "scheduled tribes" and "scheduled castes". Public sector companies, including the mining companies, are required to reserve jobs for people from these disadvantaged groups. In addition, special efforts are made to employ people from villages that are displaced as a result of a mining operation. As an example, NALCO reports that displaced persons from the village of Damanjodi were provided with replacement houses at company expense, and that one person from each displaced family was offered direct employment with the Company.

CONCLUSIONS

"The country can expect exciting discoveries of minerals since intensive exploration campaigns involving State of the Art technologies, and modern management practices backed by large scale risk investments have not taken place so far in India. This has been particularly the case in a few deficient minerals which deserve to be focused. The minerals in question are diamonds, gold and copper."

O.P. Sachdeva, Controller General, Indian Bureau of Mines, May 1995

The process of liberalization initiated in 1991 has opened the country to substantial private and foreign investment for the first time since the 1950's. The economic reforms have taken hold. International financial institutions congratulate India for the degree to which key financial indicators, such as the level of foreign exchange holdings, were turned around. That nearly 4000 new foreign collaborations have been approved since 1991 in a number of sectors of the economy is a sign of investor confidence.

For mining, the reform process has a shorter history than some other sectors. The policy framework was set in 1993, and the process of modernizing mining legislation continues. Thirteen minerals previously reserved for public sector companies are now open to foreign investment. Fifty per cent equity positions are automatic, thereby encouraging a joint venture approach with Indian partners.

Mining has a vital place in the economic development of India. The geology of the country is considered excellent for mineralization. Despite widespread geological mapping by the Geological Survey of India, industry observers state that advanced exploration methods could yield significant finds of base and precious metals.

More is required to bring the Indian investment climate up to par with some major Western mining nations. Land access rules for prospecting are restrictive, and royalty rate structures are outdated. Bureaucratic requirements for information and approvals appear cumbersome, and certainly exceed those in Canada. Also, doing business in India will be very different for Canadian entrepreneurs not familiar with working in a developing nation.

However, the key point is that a process of change is underway. The Indians are welcoming investment, and indications are that steps are being taken to address deficiencies in mining law and administration.