

INDUSTRY INSIGHT

Mining and Exploration

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Cygnus

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PREFACE

Mining sector's contribution to the country's GDP is expected to rise to almost 5% in five years from its current share of 2.8% of the GDP. It is estimated that there are more than 590 fuel mineral mines working in India of which coal mines dominates the sector with more than 80% share and the balance 20% is in various metals and other raw materials such as gold, copper, iron, lead, bauxite, zinc and uranium.. Of the 89 minerals produced in India, 4 are fuel minerals, 11 metallic, 52 non-metallic and 22 minor minerals. The mineral production (excluding atomic minerals) during 2006-07 in value terms is estimated at INR878.66 billion compared to INR839.38 billion in 2005-06, registering growth of 4.68% during 2005-2007. Foreign Direct Investment (FDI) is steadily flowing into the sector on par with the stepped up FDI inflow in other developing regions such as Brazil and South Africa. The FDI in Indian mining sector was INR16,629.41m in 2007 as against INR146.19m in 2006, registering a growth of 1,041% respectively. New mining policy likely to be unfolded soon by the ministry of mines is set to attract a foreign direct investment (FDI) of INR5 trillion within five to six years of introduction. The mining sector in India is poised for growth under the realm of foreign investment.

Industry Insight - Mining & Exploration is prepared keeping in mind the backdrop of the mining industry's future prospect. The report gives a broad overview of the mining and exploration in India with a brief reference to global mining activities, various segments of the minerals and its reserve, status of select mineral rich states in mining, 13 major players in mining and exploration (two oil exploration companies are covered), key growth drivers of the industry and issues & challenges, critical success factors, major M&A happened in the recent past and future outlook of the industry.

The report will be useful for global investors, industry analysts, banks and other financial analysts, private companies in mining equipments manufacturing and others having interest in tracking Indian industries.

The report has total 135 pages, 2 annexures, 54 figures and 30 tables.

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