

National Mineral Policy 2019

June 24, 2019

The Union Cabinet has sanctioned the National Mineral Policy 2019.

The new policy will ensure **more effective regulation, which will also lead to sustainable mining sector development in future** while addressing issues of project-affected persons, especially for people residing in tribal areas.

The National Mineral Policy 2019 replaces the extant National Mineral Policy 2008.

The aim of National Mineral Policy 2019 is to have a more effective, meaningful and implementable policy that brings in further transparency, better regulation and enforcement, balanced social and economic growth as well as sustainable mining practices.

The National Mineral Policy 2019 includes provisions which will give boost to mining sector such as

- Introduction of **Right of First Refusal** for RP/PL holders,
- Encouraging the **private sector** to take up exploration,
- **Auctioning in virgin areas** for composite RP cum PL cum ML on revenue share basis,
- Encouragement of **merger and acquisition** of mining entities and
- **Transfer of mining leases** and creation of dedicated mineral corridors to boost private sector mining areas.
- The 2019 Policy proposes to grant **status of industry to mining activity** to boost financing of mining for private sector and for acquisitions of mineral assets in other countries by private sector
- It also mentions that **Long term import export policy** for mineral will help private sector in better planning and

stability in business

- The Policy also mentions **rationalize reserved areas given to PSUs** which have not been used and to put these areas to auction, which will give more opportunity to private sector for participation
- The Policy also mentions to make efforts **to harmonize taxes, levies & royalty** with world benchmarks to help private sector

The 2019 Policy also introduces the concept of **Inter-Generational Equity** that deals with the well-being not only of the present generation but also of the generations to come and also proposes to constitute an inter-ministerial body to institutionalize the mechanism for ensuring sustainable development in mining.