

UPSC Syllabus Topic: GS Paper 1 Economic Geography – Distribution of key natural resources across the world (including South Asia and the Indian subcontinent).

The Case for Investing in India's Mining Sector

Current Situation in India's Mining Sector:

1. **Underexplored Territory:** Only 10% of India's landmass has been explored for minerals, and just 2% is mined.
2. **Lithium Discovery:** Recent discovery of lithium in Jammu and Kashmir.

Benefits of Investing in Mining in India:

1. **Job Creation:** Mining generates more employment compared to other sectors, creating significant job opportunities.
2. **Support for Electric Vehicles:** Critical minerals like lithium from mining support the growth of the electric vehicle industry, crucial for transitioning to electric mobility.
3. **Economic Diversification:** Investment in mining diversifies India's economy, reducing reliance on traditional sectors.
4. **Strategic Global Positioning:** Participation in the global mining market positions India as a key player in critical minerals.
5. **Deep-Sea Mining Prospects:** India's extensive coastline offers opportunities in the emerging field of deep-sea mining.

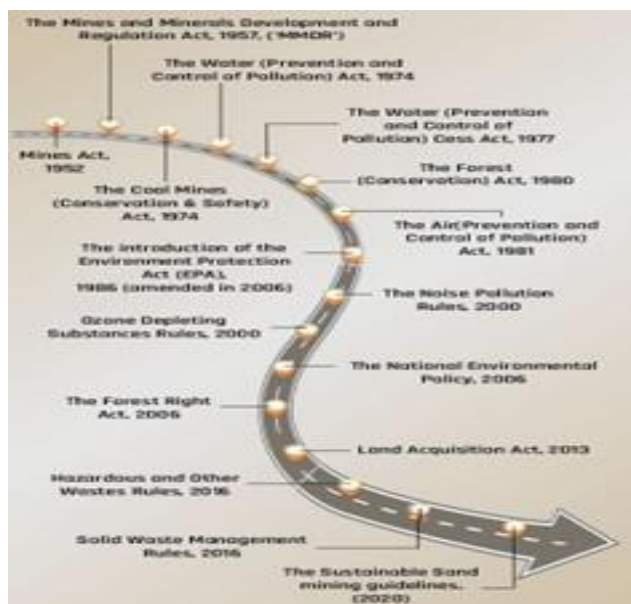
Issues with India's Mining Sector:

1. **High Import Dependency:** Heavy reliance on imports for critical minerals like lithium, cobalt, and rare earth elements.
2. **Government-Led Exploration:** Dominance of government agencies in exploration projects, limiting private sector involvement.
3. **Regulatory Challenges:** The Mines and Minerals (Development and Regulation) Act 1957 and concerns about its efficacy in fully liberalizing the sector for private investment.
4. **Exploration Risks:** High-risk nature of exploration, with specialized, time-intensive operations often yielding limited commercially viable mines.
5. **Impact of Global Events:** External shocks, such as global events affecting mineral supply chains, highlight vulnerability.
6. **Environmental Concerns:** Balancing ecological protection with mining activities poses challenges.

Government Initiatives for the Mining Sector in India:

1. **The Mines and Minerals (Development and Regulation) Amendment Bill, 2023:** A move to promote private sector involvement in mineral exploration and mining.
2. **Minerals Security Partnership (MSP):** India joined MSP as its 14th member, a US-led

alliance focusing on critical minerals.



Source: TERI

Recommendations:

1. **Increase Exploration:** Expand exploration beyond the current 10% of India's landmass to uncover more mineral resources.
2. **Strengthen Mining Regulations:** Implement robust environmental, labor, and land laws to regulate mining and prevent exploitation.
3. **Balance Environmental Concerns:** Strive for a middle ground between mining development and ecological conservation.
4. **Reimagine Economic Policies:** Embrace job-centric economic development over GDP growth, following initiatives like Harvard's Kennedy School's 'Reimagining the economy.'