

Trends and Opportunities in the Indian Resources & Mining Sector

Partha Sen, Austrade

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Australian Government
Austrade



AGENDA

SECTORS:

**MINING
MINERALS
METS**

AREAS:

**DRIVERS
REFORMS
OPPORTUNITIES
CHALLENGES
STRATEGIES**

OVERVIEW



MINING

- Significant Mining Industry: A\$ 22 bn non-fuel minerals, 730 MT coal in 2017-18
- Feeds most of India's energy and industrial needs

MINERALS

- India largely self sufficient in most minerals
- Coking coal, thermal coal, manganese ore, copper concentrate and gold imported from Australia

METS (Mining Equipment, Technology & Services)

- Significant requirements of METS
- Sourced domestically and from overseas

RESOURCE SECTOR DRIVERS IN INDIA

MAIN DRIVERS

Energy security for a large population
(Fuel minerals)

Industrial input – security for infra and growth
(Industrial minerals)

Forex conservation
(Greater self sufficiency)

SALIENT CONSIDERATIONS

Coal accounts for 55% of India's energy needs

India is a major manufacturing nation , ranked 5th globally

METS required for Higher Productivity & Quality Expansion, & Modernisation,

REFORMS IN MINING

- MMDR Act amended to attract private investment
- Coal and major mineral concessions released through auction process
- Private Sector participation in commercial coal mining
- Mining freed from Government monopoly
- Recent government led financial resolution laws facilitate consolidation of Industry players

REFORMS FOR MINERALS

- Public sector companies or SPVs identified for overseas investments in strategic or sunrise minerals
- Exploration thrust to uncover scarce minerals, many likely to be deep-seated or hidden
- Geoscience Australia and Geological Survey of India uncovering hidden deposits through MOU
- From National Mineral Exploration Trust, 2% levy on mining royalties to provide for State exploration activities
- Permission for exports of minerals mined through concessions in India to be considered

METS REFORMS

- Directorate General of Mines Safety approval list shortened, and procedures simplified
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- Government actively mandating cleaner coal and higher safety and environmental standards
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- Government plans advocate productivity improvement through adoption of better technologies
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- Government stressing skills development
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TRENDS IN INDIAN GEOMINING

- Focus on exploration strategies supported by private involvement
- Increase in underground mining as surface reserves deplete
- Greater and better beneficiation needs as higher grade ores deplete
- Share of private sector miners and private contract miners to grow
- Industry Consolidations as new Bankruptcy Code is applied
- Larger operational scale and more sophisticated METS require upgrade of employee skills.

MINING OPPORTUNITY OUTLOOK

- Growth in mining mainly through private Indian mining companies
- Contract mining to grow in prominence
- Private sector market share to increase
- Increased foreign partnerships in underground contract mining driven by the need for better technology and supplies
- Increased Industry focus on productivity, quality, safety and environment encouraged by Government regulation

MINERAL OPPORTUNITY OUTLOOK

- Australia would remain the preferred source for coking coal
- Growing interest in offtake or higher level investments in coking coal assets in Australia
- Interest in imports of high grade thermal coal, manganese ore, copper concentrates and gold to continue
- New investment or offtake interest to focus on strategic or sunrise industrial minerals

METS OPPORTUNITY OUTLOOK

- Increased demand for overseas METS supplies in areas of productivity, quality, safety, environment and training
- Business conducted in English, legal systems similar
- Australian METS held in high regard
- Indian private miners METS procurement processes less price focused, supporting faster procurement processes

CHALLENGES FOR OVERSEAS METS SUPPLIERS

- Slow process of product introduction
- Cumbersome Government tendering processes
- Highly price sensitivity, Government tenders support L1 as dominant criteria
- Cultural differences in work patterns, require more direct interaction
- Plans and programmes periodically formulated and announced by government have long lead time and may not be implemented as originally anticipated.

STRATEGIES THAT HAVE WORKED

- Prior market study to determine interest level, specifications, product mix, local content and pricing
- Participation in major mining exhibitions and missions in India to glean insights
- Local entity or carefully chosen partner to be in place in India
- Incorporating local content to the extent possible to allow for competitive pricing
- Factoring a realistic period for market entry and consolidation
- Plans for India to be based on needs of existing established players and their expansion plans, NOT plans and programmes periodically formulated and announced by government

DEMAND FOR OVERSEAS METS

Trends will drive overseas METS demand in areas of:

Geo-mining
Consultancy

Exploration
technologies

Mining
IT

Mining
Equipment

Beneficiation
equipment

Skills
Training

Quality, quantity
Measurement

Safety & risk
assessment

Environmental
technologies

AUSTRALIAN METS FOR INDIA



Australian METS capabilities
highly regarded in India

Strong existing customer base in India

50 large and medium mining & mining equipment companies in India

40 Australian METS Suppliers in India

Market Entry

Own entity, or Partnership with Indian companies to minimise costs and risks

RECENT AUSTRALIAN METS SUCCESSES IN INDIA

Geomining consultancy	Mine planning software	Mine management system
Rugged on board displays	Underground diesel vehicles	Mine dewatering pumps
Special purpose motors	Filters	Trailing cables
Radiators	Special rails	Washery power supplies
Wear studs	Wear plates	Explosives
Beneficiation components	On belt mineral analysers	In motion mineral weighing
Safety training	Risk assessment training	Wearable fatigue monitors
Gas chromatographs	Slope stability radars	Dust suppression solutions
Mining machine simulators	Executive programmes	JORC courses

IMME 2018 INTERNATIONAL MINING & MACHINERY EXHIBITION

- India's largest event on mining
- Focus on Mining, Equipment, Technology and Services for the Indian mining sector
- Exhibition, and allied conferences, Kolkata - 31 October to 03 November, 2018
- Australian pavilion at IMME 2018
 - › Exhibition participation
 - › Australian Participants Guide Listing
 - › Market briefings
 - › Business networking with & introduction to Indian buyers



SUMMARY

1. Consider the large market potential
2. Know prospects and challenges
3. Study and strategize
4. Have a presence and localise
5. Think long-term

Thank You



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