



SAKTI

A Voluntary organisation working for the welfare of tribals and conservation of natural resources

Date: 14-06-2007

To

- 1) The Secretary to Government,
Union of India,
Department of Environment, Forests & Wildlife,
Paryavaran Bhavan, C.G.O. Complex,
Lodhi Road, NEW DELHI.

- 2) The Secretary to Government,
Government of India,
Ministry of Mines
A-Wing, Shastri Bhavan, 3rd Floor
NEW DELHI – 110 001.

Sir,

Sub: Proposals for excavation of fresh Bauxite deposits and establishment of Alumina factories in Andhra Pradesh – bring down the market of Alumina and result in destruction of forest – request for rejection of proposals – reg.

- Ref:
- 1) Global invitation for pre-qualification of prospective bidders for export of calcined alumina by NALCO, dated 05-09-2006.
 - 2) ICRA Aluminium Industry comment in June 2006.
 - 3) Aluminium prices set to fall again this year, The Hindu, January 25, 1997.
 - 4) Report of the two man committee on the visit of National Aluminium Company at Damanjodi (Orissa State).
 - 5) Letter from Sri T.V. Rangarajan, IFS, Conservator of Forests to Sri K V Singh, IFS, Principal Chief Conservator of Forests, Dt. 07-01-1987.

- 6) Article of Prof. R S Rao, 'observations on the vegetation of the Rampa and Gudem agency tracts of the Eastern ghats', published in Journal, Bombay Natural History Society, Vol. 55 (3).

Recently a public hearing was conducted on EIA (Environment Impact Assessment) on the setting up of proposed 1.4 million tonnes per annum capacity alumina refinery in Visakhapatnam district by JSWHL (Jindal South West Holdings Limited). We came to know a survey was taken up to mine the bauxite in Jarrela block also.

- 1) We submit that in the light of abundant stock of alumina available within the country, that too at Visakhapatnam port, as evident from the tenders invited by NALCO (National Aluminium Company Limited) for exporting 9,00,000 metric tonnes of alumina per annum, we believe that another factory will result in unhealthy competition and distress sale.
- 2) The ICRA (a leading provider of investment information and credit rating services in India) aluminium report June 2006 opined that "the domestic producers have the option to limit alumina exports and divert the same to meet their aluminium production requirements. However as margins are healthy in the export market for alumina, the alumina producers have chosen to undertake capacity expansions in alumina instead." (www.icra.in)
- 3) The report also informs that the installed capacities of all the factories are not yet achieved.

Trends in installed capacity and aluminium production of primary producers – Installed capacity (in thousand tonnes)

<i>Alumina</i>	<i>Nalco</i>	<i>Balco</i>	<i>Hindalco</i>	<i>Indal</i>	<i>Malco</i>
1712	800	200	350	312	50
1712	800	200	350	312	50
2487	1575	200	350	312	50
2487	1575	200	350	312	50
2797	1575	200	660	312	50
2797	1575	200	660	312	50
3000	1575	200	1145	312	80

(www.icra.in)

I bring to your kind notice the situation in 90's bringing down the prices of alumina in the global market forcing the Russia to stop production/ export of alumina, since it is not in conformity with environmental standards.

So a tie up between NALCO and JSWHL and other prospective agencies is mutually beneficial than opening new mines.

Moreover, the forests having mining deposits are catchment for many reservoirs and full of evergreen, semi evergreen forest cover. The 2 men committee appointed by Andhra Pradesh government in 1990, estimated the cost destruction to forest in one block (Jerrela) alone was Rs. 1500 crores. The forest is habitat of very important birds and flora and fauna (article published in the journal of Natural History Society, Bombay).

So, we request you to drop the efforts in issuing environmental, forest clearance including a licence to the proposed factory by JSWHL and others.

Yours sincerely

P SIVARAMAKRISHNA

Copies to

- 1) The Principal Secretary to Government,
Government of Andhra Pradesh,
Industries and Commerce (Mines) Department,
Secretariat, HYDERABAD
- 2) The Principal Secretary to Government,
Energy, Forest, Environment, Science & Technology Department
Secretariat, HYDERABAD.

Annexures

As cited in the references