

MICA: The Shimmering Star of Jharkhand

Introduction & Context

Historically, India was a world leader in the production and export of sheet mica. The best quality mica deposits occur in Jharkhand and hence the state was the seat of a booming industry, then. But in the past decades, there has been a steady downfall in the mica industry, due to fall in the demand of natural mica in the world market, use of reconstituted mica, emergence of mica substitutes and various other factors. However, on account of its unique properties, mica continues to be used in raw or processed form in various industries viz. ICT, electrical, paints, automobile, plastic, etc. (Fig 3). There is sufficient supply and industrial capability in Jharkhand to meet this demand domestically and in the international market. Greater attention to the mica sector, in line with the Government of Jharkhand's pro-industry strategy, will reinstate the old glory of the sector and provide livelihoods to a large number of people associated with it.

Production, Supply & Industrial Use

- In India, the largest mica deposit occurs in Jharkhand with smaller deposits occurring in Bihar, Andhra Pradesh and Rajasthan.
- There is variation in production data between domestic sources like Indian Bureau of Mines, IBM (Fig 1) and international sources (Fig 2).

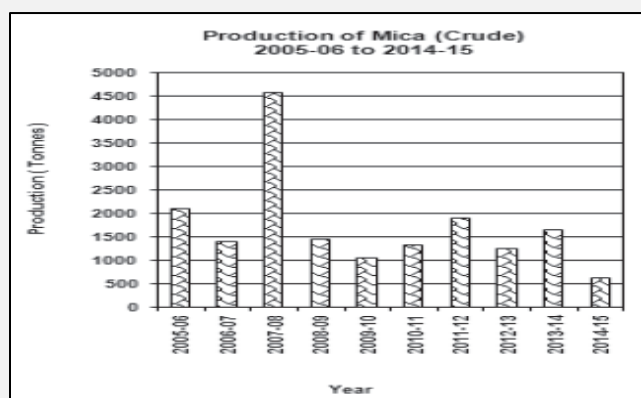


Fig 1: Production trend of Mica in India [Indian Bureau of Mines, Mica Mineral Yearbook, 2015]

- In 2015, mica was transferred from the list of 'major' minerals to that of 'minor' minerals – thereby empowering state governments to develop plans to manage and utilise the mineral.
- In its current state, a number of issues and challenges have been witnessed in Jharkhand's mica sector.
- There is often news about illegal deep excavation mining of mica especially in some areas of Koderma and Giridih in Jharkhand. On papers, there is little or no mining of mica that happens any more in the state, as the state government cancelled mica mining leases.
- Mica however continues to be collected from overburdens of abandoned mica mines, many of which are located in forested areas. This is done by villagers in the proximity at low wages, in the absence of other alternative livelihoods. Given crude and unsafe methods of collection, accidents are not uncommon.
- Further, collection of mica from some of these sites is considered illegal as they fall within protected/reserve forest areas.

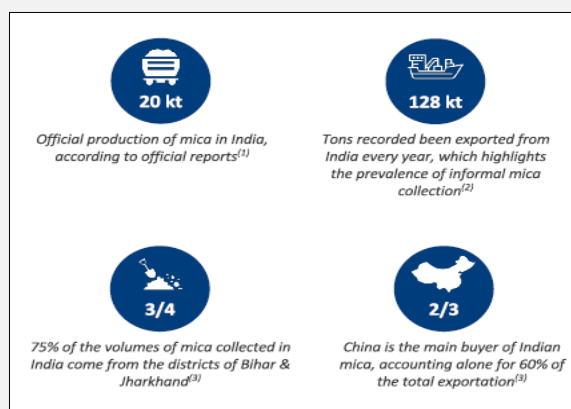


Fig 2: Mica belt in Jharkhand and Bihar [Ref: (1) USGS, 2015; (2) UN Comtrade Data, 2014; (3) TdH, 2016]

Mica is an extremely versatile mineral, widely used in many industries and applications, due to its exceptional characteristics. Figure 3 below shows the wide range of industrial uses of mica. Given such wide application of mica across industries, the

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global market is slated to grow from US\$478mn (2016) to US\$669mn (2024) as per Mica Exporters Association (MEA) estimates. This presents a great opportunity for Jharkhand to revive the mica sector, with due consideration to tackle the above-mentioned challenges..

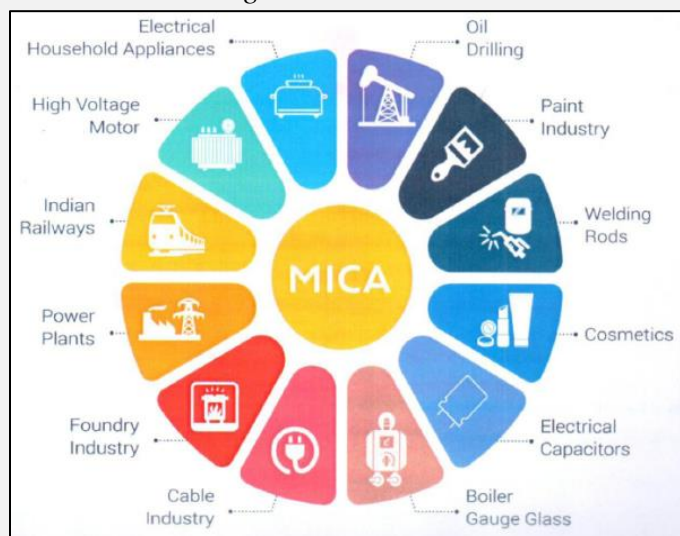


Fig 3: Industrial Use of Mica [Mica Exporters Association (MEA), Jharkhand]

Supply chain of Mica originating from Jharkhand

The figure below explains how mica collected from Jharkhand ends up in industrial use through its supply chain.

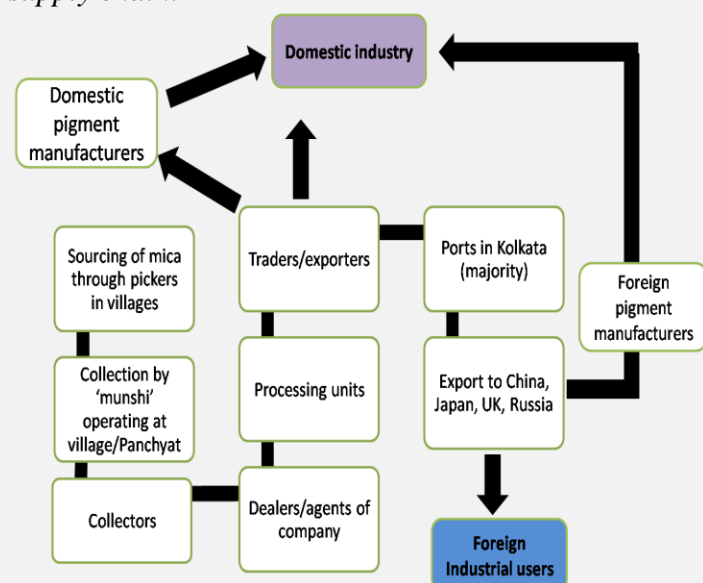


Fig 4: Supply chain of Mica originating from Jharkhand

Sustainable & Inclusive Supply Chain

Given the nature of its origin and the supply chain, it is critical that a future plan/strategy for the mica sector integrates key social, environmental and economic sustainability considerations.

In line with the Sustainable Development Framework (2014) of Government of India, some of the key sustainability issues to be considered are:

- Social and environmental concerns in leasing
- Labour standards and wages
- Sound management systems to ensure safety
- Community engagement, benefit sharing and contribution to socio-economic development
- Mining and forest protection
- Quality and reliability of supply for processing (local value-addition)
- Enabling policy environment
- Investment in technological improvements
- Ethical business practices

About the Initiative

This 'factsheet' has been prepared as part of an initiative that brings together Centre for Responsible Business (CRB) and Terre des Hommes (TdH) to facilitate movement towards sustainable and inclusive mica supply chain in Jharkhand, by engaging key state and national level stakeholders.

Balanced private sector participation would benefit various actors in the mica supply chain/industry in Jharkhand, thereby contributing to the goal of Responsible Mica Initiative (RMI) – of achieving responsible mica supply chains, globally..

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