

## A perception that coal is on the way out is proving wrong as economies across Asia and Africa citing coal as a key contributor to their development.

- CPSI welcomes Shri Sumanta Chaudhuri new Coal Secretary and wishes him big success in his challenging new assignment of bringing the coal industry back on upward trajectory of production and supply of coal to all consuming sectors.
- For India here a new danger to the current account deficit (CAD) — increasing coal import. Thermal Coal imports in the September quarter rose 35 percent over a year ago to 42.7 million tonnes, the fastest pace in three and a half years. After two years of decline, India is now on course to increase its coal imports in the current fiscal. It's good news in one sense because it shows increasing demand in industries such as steel, power and cement. On the flip side, it points to inadequate domestic supplies. Indeed, the lack of fuel is crippling some plants in the power sector.
- The World Coal Association (WCA) has launched a new report calling on the World Bank Group (WBG) to reform its policy on coal financing. The report "Reducing emissions from coal: A role for the World Bank", urged the Bank to support coal-dependent countries to develop concrete steps towards a zero emissions pathway.
- Among the captive power producers, Aluminium makers are among the most affected by the shortage. According to industry sources, to produce one ton of aluminium, the sector requires 11.7 tonnes of coal in order to produce 14,500 kilowatts-hour to run the smelters.
- Ministry of Coal is reported to have expressed serious concern on Coal India's inability in controlling inordinate delays in floating tenders after obtaining approval of competent authority, completion of tender process and issue of work orders, monitoring timely completion of works as per terms and conditions of work order, taking punitive action against defaulting contractors, leading to inordinate delays in completion of many important projects, thereby allowing valuable investment to remain unutilised or under-utilised. Company's corporate hierarchy has been directed to take prompt corrective actions.
- To meet its pledge to the world in the landmark 2015 Paris climate accord, Japan aims to achieve a 26 percent cut in greenhouse gas emissions by fiscal 2030 from the fiscal 2013 level. But the government has drawn a lot of criticism from both in and outside the country for going against the international trend to move away from coal. Coal-fired plants provided 32.3 percent of the country's total electricity in fiscal 2016, whereas reliance of natural gas stood at 42.2 percent and nuclear power at 1.7 percent. Japan has around 90 coal power plants and companies were planning to build 30 more with a total capacity of 16,730 megawatts (MW) as of March, 2018.
- The government proposes to withdraw priority in gas allocation to power plants, a major setback to the already stressed power sector and country's top power producer NTPC.
- Coal Ministry have identified 10 mines/locations for extraction of coal bed methane (CBM) jointly by Coal India and ONGC. One



more mine will also be exploited for methane, with SAIL also as a part of the partnership.

- Coal stocks of Indian thermal power plants dropped to historical low. Coal India's boost in output and off take has not proved enough not enough to improve the situation. Business Standard. After starting the year at around 50 million tonnes, the combined coal stocks of India's thermal power plants has sided down to an all-time low of 30 million tons. Currently, there are 31 power units operating at critical or sub-critical levels of coal stock.
- Small coal consumers will now have improved availability of coal following changes introduced by Coal India to its Mine-Specific Coal Supply policy. Before the changes, the minimum off take for those on the Mine-Specific Coal Supply policy was one million tons, a figure now lowered to 250,000 tonnes. They could pick a preferred source and benefit from a reduction in logistic costs, but only mines with an output of over 2.5 million tonnes per annum were available. That requirement was also changed, with the minimum output of available mines lowered to one million tonnes.
- In its World Energy Outlook, released last week, the International Energy Agency concluded that coal consumption rose in 2017, in spite of the efforts to reduce climate change. China remained the largest coal consumer in the world, accounting for half of the total. India used approximately 12 percent of the global total, followed by the United States with nine percent and Europe with eight percent.
- Envoys from almost 200 countries will meet next week in Katowice, Poland, for an annual conference on reining in global warming. The meeting organized by the UN is aimed at drawing up a rulebook for implementing the 2015 Paris Agreement, where all countries rich and poor alike pledged to limit fossil fuel emissions.
- China is currently the largest importer of Australian coking coal. However, the country is steadily reducing its intake. Steel industry sources believe that India may become the largest coking coal importer by 2022. According to India's steel policy, demand for coal by the steel sector will continue to increase throughout the next decade. By 2030-31, the sector will require 160 million tonnes of coking coal, plus 31 million tons of non-coking coal for PCI and another 105 million tonnes for DRI route.

**CPSI view :** Over 12% of India's estimated coal resources are of coking variety. All we need is a strategy, collectively planned by all stakeholders namely: coal producers, steel companies and the concerned ministries, as to how over next five to seven years India can produce at least 50 million tonnes of washed coking coal that could be utilised by our steel plants, both public and private sector? Implementation of Jharia Reconstruction Project, which has been languishing for over forty years, should be taken up on war footing with all seriousness and sincerity. At the same time medium coking and soft coking coal resources of East and West Bokaro, CIC, Raniganj and Pench Kanhan Coalfields must also be exploited in a well planned manner. A well thought of strategy will go a long way in avoiding at least 50% of huge outflow of precious foreign exchange.



XIX International Coal Preparation Congress (ICPC) is scheduled to be held in New Delhi on 13-15 November, 2019. Please block you diary. For further details, please visit : [www.icpc2019.in](http://www.icpc2019.in) or contact: [rksachdev01@gmail.com](mailto:rksachdev01@gmail.com); [president@cpsi.org.in](mailto:president@cpsi.org.in)