

GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION No. 1471
TO BE ANSWERED ON 05.08.2024

Impact of coal sector on economy of the country

1471. SHRI IRANNA KADADI:

Will the Minister of **Coal** be pleased to state:

- (a) whether the coal sector has sufficient potential to contribute substantially in achieving five trillion USD economy by 2024-25, if so, the details thereof;
- (b) whether the country imports a huge quantity of coal from other countries despite huge coal reserves and if so, the details thereof; and
- (c) the major policy decisions that have been taken to drastically reduce imports and increase quality of coal for use within the country by 2025?

Answer

MINISTER OF COAL AND MINES
(SHRI G. KISHAN REDDY)

(a): Coal is the readily available and the cheapest source of energy and presently constitutes more than 50 percent of energy source for India. In the Index of Eight Core Industries published by the Ministry of Commerce and Industries, coal sector year on year basis has recorded 14.8 percent growth for the month of June, 2024. As on 01-04-2023, India had 199.90 Billion Tonne of proved coal reserves. For the current year i.e 2024-25, the total domestic coal production target has been fixed at 1080 Million Tonne (MT). In view of expected rise in coal demand due to economic growth, domestic coal production is proposed to be increased to 1193.39 Million Tonne in 2025-26 which is further likely to increase about by 10% in 2026-27 and to about 1533 MT by 2029-30.

(b): Import of coal mainly consists of essential import like coking coal and higher-grade coal as their domestic production is limited due to either scarce reserves or non-availability. Power sector also imports coal for two reasons- design-led import for imported coal-based (ICB) power plants setup in coastal region which are specially designed to use imported coal and for blending purpose for domestic coal-based (DCB) power plants. For these reasons about 20-25% of the coal demand in the country is being met from import. Details of import of coal in the last five years are given as under:

(in MT)

Year	Total Consumption	Import	Percentage of import
2019-20	955.72	248.54	26.00
2020-21	906.33	215.25	23.75
2021-22	1027.84	208.63	20.30
2022-23	1115.04	237.67	21.31
2023-24	1233.86	261.00	21.15

(c): Import of coal mainly consists of essential import like coking coal, and higher-grade coal due to limitation in domestic production. However, measures are being taken to replace substitutable import of coal by ramping up domestic production of coal. Hundred percent Foreign Direct Investment (FDI) has been allowed for commercial mining. Other major steps initiated to enhance domestic production of

coal include Single Window Clearance, amendment of Mines and Minerals (Development and Regulation) Act, 1957 to allow captive mines to sell up to 50% of their annual production after meeting the requirement of the end use plants, production through Mine Developer and Operator (MDO) model, increasing use of modern technologies such as surface miner, continuous miner etc., taking up new projects and expansion of existing projects, and auction of coal blocks to private companies/PSUs.
