

GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION No. 1452
TO BE ANSWERED ON 19.12.2018

Demand and Supply of Coking Coal

1452. SHRI SHIVKUMAR UDASI:
KUMARI SHOBHA KARANDLAJE:
SHRI PRATHAP SIMHA:

Will the Minister of COAL be pleased to state:

- (a) whether the entire demand of Coking Coal is not met indigenously as the supply of high quality coal/coking coal (LOW-ASH-COAL) in the country is limited and whether India is expected to become the largest coal importer through sea route by 2022;
- (b) if so, the quantity of Coking Coal imported into the country during the last three years and the current year, year-wise;
- (c) the impact of the cost of coking coal on the steel producers;
- (d) the measures being taken by the Government to improve the supply of coking Coal in the country;
- (e) the number of Coking Coal Washeries in the country, including their capacity and number of Washeries CIL proposes to construct by the year 2020; and
- (f) the steps taken for rationalizing the procurement procedure for Coking Coal, acquisition of Coking Coal mines abroad and optimizing the use of Coking Coal by the steel companies?

ANSWER
MINISTER OF COAL AND RAILWAYS
(SHRI PIYUSH GOYAL)

(a):The entire demand of coking coal is not met indigenously as the supply of high quality coal/ coking coal (low-ash-coal) in the country is limited and thus no option is left but to resort to import of coking coal. As per the current import policy, coal is kept under Open General License (OGL) and consumers are free to import coal from the source of their choice as per their contractual prices on payment of applicable duty. Further, CIL has a plan to augment supply of Coking Coal through washed coking coal. The imported quantity of 2017-18 at 208.27 MT is less than the imported quantity of 2014-15 which stood at 217.78 MT even as power generation and industrial activity grew substantially after 2014-15. There has been a consistent effort to increase domestic coal production so as to reduce dependence on coal imports. The all India raw coal production has increased from 565.77 MT in 2013-14 to 676.48 MT in 2017-18. Absolute increase in all India coal production from 2013-14 to 2017-18 (four years) is 110.71 MT as compared to increase of coal production of 33.73 MT from 2009-10 to 2013-14 (four years).

Coal India Limited (CIL) has also increased its production from 462.41 MT in 2013-14 to 567.36 MT in 2017-18 (four years), an absolute increase of 105 MT as compared to increase of coal production of 31.15 MT between 2009-10 and 2013-14 (four years).

Further, in the current year during April-November, 2018, all India coal production was 433.90 MT with a growth rate of 9.8% and coal production of CIL was 358.32 MT with a growth rate of 8.8% over the corresponding period of previous year.

The focus of the Government is on increasing the domestic production of coal which includes efforts to expedite Environment & Forest clearances, pursuing with State Government for assistance in land acquisition and coordinated efforts with Railways for movement of coal.

However, coking coal will continue to be imported as there is limited availability of coking coal in the country. Further, power plants designed on imported coal will also continue to import coal.

Hence, it cannot be assumed that India will become the largest coal importer through sea route by 2022.

(b):The quantity of coking coal imported during the last three years and current year 2018-19 is given below:-

Import of Coal –Mte	
Year	Coking Coal
2014-15	43.71
2015-16	44.56
2016-17	41.64
2017-18 (P)	47.00
2018-19 upto Sept. 18	25.94

(c): An increase in cost of coking coal will increase the cost of production of steel.

(d): CIL is continuously searching for coking coal assets coming up for sale in the global market and identifying suitable assets for acquisition. Further, CIL proposes to construct 8 more coking coal washeries by 2020 having a total capacity of 26.5 Mty.

(e): The number of coking coal washeries being run in CIL is 12, with a total capacity of 22.18 Mty (Old Washeries –20.58 Mty& New Washery 1.6 Mty) and 04 being run by Private Sector with a capacity of 7.70 Mty. CIL proposes to construct 8 more coking coal washeries by 2020 having a total capacity of 26.5 Mty.

(f): Procurement of raw materials like coking coal is entirely done by individual Steel companies taking into account their installed capacity, requirement of the raw materials, commercial consideration and market dynamics. India is deficient in techno-commercially extractable coking coal reserves. The import dependence of Indian Steel sector on coking coal will continue in foreseeable future. At present, majority of coking coal is imported to India from Australia, followed by Canada and USA in terms of quantum of import. In view of this scenario, CIL has taken initiatives to acquire coking coal assets abroad, with particular focus in Australia and Canada, with a view to import the produces to India and enhance raw material security of the country. Certain assets have been identified which are under different stages of due diligence.
