

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION No. 2739
TO BE ANSWERED ON 10.07.2019**

Demand and Supply of Coal

2739. SHRI JANARDAN SINGH SIGRIWAL:
DR. NISHIKANT DUBEY:

Will the Minister of COAL be pleased to state:

- (a) the details of demand and supply of coal in the country;
- (b) whether there is huge gap between demand and supply of coal in the country and domestic supply of coal is facing shortfall;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether the Government has any plan to tackle the situation and discourage imports in this regard; and
- (e) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES
(SHRI PRALHAD JOSHI)

(a) to (c): Demand of coal is higher than the current level of supply of coal in country. During the year 2018-19, as against a total actual demand of coal of 969.46 MT, the domestic supply was 734.23 MT (Provisional) and coal import was 235.24 MT (Provisional). Coal is imported to bridge the gap between domestic demand and domestic supply. As per coal import policy, the import of coal has been kept under Open General License (OGL) and users are free to import coal from the sources of their choice as per their contractual prices on payment of applicable duty. It may be mentioned that in India, the supply of high quality coal (low-ash coal)/Coking coal is limited. Therefore, to bridge this demand-supply gap, there is no option but to resort to import of low-ash coal. Superior quality non-coking coal is imported mainly by imported coal based power plants and other industrial users viz., paper, sponge iron, cements and captive power plants, on consideration of transport logistics, commercial prudence, export entitlements and inadequate availability of such superior coal from indigenous sources.

(d) to (e): There has been a consistent effort to increase domestic coal production. The all India raw coal production has increased from 565.77 MT in 2013-14 to 730.35 MT (Provisional) in 2018-19. Absolute increase in all India coal production from 2013-14 to 2018-19 is 164.58 MT as compared to an increase of coal production of 73.01 MT between 2008-09 and 2013-14. During the current year 2019-20 (April-Jun 2019), all India coal production was 169.09 MT with a growth rate of 2.4%.

In order to augment supply, a total of 84 coal blocks has been allotted under Coal Mines (Special Provision Act, 2015) so far.

Further, the focus of the Government is on increasing the domestic production of coal which includes pursuing with State Government for assistance in land acquisition and coordinated efforts with Railways for movement of coal.

In addition, to maximize the use of indigenous coal, the following steps are taken/being taken for promotion of import substitution through the following steps:

- Source rationalization with part supply from higher grade coal sources.
- More coal from various sources including higher grade were offered through various types of e-auction schemes particularly special forward e-auction for power consumers, not having Fuel supply Agreement (FSA) with CIL sources.
- The provisions of SHAKTI policy of the Government of India for meeting the demand of various categories of power utilities are being implemented.
- Supply of additional coal to power plants to meet the shortfall within the Annual Contracted Quantity (ACQ).
- Implementation of Linkage auction for non-regulated sectors
- Spot E-auction – For any Indian buyer (consumers & Traders) suitable for short-term planning
- Exclusive E-auction -- exclusively for the non-power consumers (including Captive Power Plant (CPPs)) suitable for medium term planning.
- Streamlining environment clearances & forestry clearances process to expedite operationalization of coal blocks.
