

GOVERNMENT OF INDIA  
MINISTRY OF COAL

**LOK SABHA**  
**UNSTARRED QUESTION No. 5510**  
ANSWERED ON 25.03.2026

**IMPACT OF DECLINE IN GLOBAL COAL DEMAND**

†5510. SHRI KANWAR SINGH TANWAR:

Will the Minister of COAL be pleased to state:

- (a) whether the Government has assessed the impact of stabilization and potential decline in global coal demand on India's long-term domestic coal production strategy including expansion plans, commercial mining policy and investment in new coal blocks;
- (b) if so, the details of the scenario planning undertaken by the Government to assess the impact on coal producing States, Public Sector Undertakings (PSUs), private mining companies and related employment ecosystem; and
- (c) the policy direction proposed by the Government to ensure responsible management of coal production balancing national energy requirements, financial prudence, worker safety and environmental consideration during the transitional period?

ANSWER

**MINISTER OF STATE FOR COAL AND MINES**  
**(SHRI SATISH CHANDRA DUBEY)**

**(a) & (b):** Coal is an important source of energy in India and presently it constitutes approximately 55% of the country's total primary commercial energy demand. India's long-term domestic coal production strategy continues to be guided primarily by the need to ensure energy security for growing power and industrial requirements. The Government continuously monitors global energy market developments, including trends relating to stabilization or moderation in coal demand.

In view of India's developmental needs, coal demand is projected to remain significant in the foreseeable future. Accordingly, decisions relating to expansion of production capacity, commercial coal mining and allocation of coal blocks are taken in a calibrated, transparent and need-based manner, keeping in view prevailing demand-supply dynamics, techno-economic considerations and extant policy framework.

The Government undertakes periodic and broad-based assessments based on a range of scenarios such as possible implications for coal-producing States, Public Sector Undertakings (PSUs), private sector participants and associated employment. Measures for regional development, skill enhancement and economic diversification are addressed through ongoing schemes and institutional mechanisms, as per extant policies.

(c): Government's thrust is towards strengthening India's energy security along with ensuring a self-reliant energy landscape. In FY 2024–25, coal imports stood at 244 MT, valued at Rs. 24,95,337 Million Rupees, compared to 264 MT valued at Rs. 31,02,154 Million Rupees in FY 2023-24. Thus, there was a reduction of around 8% in quantity terms and 20% in value terms in FY 2024-25 compared to FY 2023–24.

SHAKTI Policy (2025) has streamlined the coal linkage framework and enhanced flexibility and accessibility of domestic coal for the power sector. Provisions such as permitting existing consumers to procure coal up to 100% PLF (plant load factor) requirement and enabling participation of imported coal-based power plants are expected to increase demand for domestic coal.

CoalSETU window under the NRS (non-regulated sector) linkage policy has enabled non-coking coal linkage without end-use restrictions, for exports and for washeries.

The following initiatives have been taken to ensure responsible management of coal production, balancing worker safety:

- i. Ensuring adequate resources & manpower and a comprehensive OHS policy.
- ii. Strengthening function of Internal Safety Organization, implementing Safety Management Plans & Principal Hazard Management Plans, enforcement of the Code of Practice and Standard Operating Procedure, and compliance of transport rules.
- iii. Conducting annual mine safety audits and Root Cause Analysis (RCA)-based accident investigations.
- iv. Adoption of high degree of mechanization through Continuous Miners (CM) in underground mines, Surface Miners in opencast (OC) mines, and Highwall mining technology (hybrid system).
- v. Enhanced transport safety through GPS-based tracking system and geo-fencing. Real-time surveillance through Integrated Command and Control Centres.
- vi. Digital Strata Control and Monitoring System deployed in OC mines.

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