

Reducing Coal Imports, Boosting Exports

Posted On: 29 JUL 2024 1:48PM by PIB Delhi

The Ministry of Coal spearheading a transformative initiative to reduce coal imports and promote coal exports, is marking a significant shift in the country's energy landscape. This strategic move aims to enhance domestic coal production, strengthen energy security, and support the growth of the coal sector.

India's coal production witnessed a remarkable increase of 11.65% in the year 2023-24, demonstrating the government's commitment to self-reliance. The target for the year 2024-25 has been set at an ambitious 1,080 Million Tonnes, further solidifying India's position as a major coal producer.

To streamline the process of reducing coal imports, an Inter-Ministerial Committee was formed and the committee will facilitate discussions and coordinate efforts among various ministries to identify opportunities for import substitution. While acknowledging the need for some high-grade coal imports, the focus remains on minimizing non-essential imports and promoting the use of domestically produced coal.

In addition to reducing imports, the government is actively promoting coal exports to capitalize on the growing global demand for the fossil fuel. This initiative aims to position India as a key player in the international coal market, generating revenue and creating employment opportunities in the sector.

The reduction in coal imports and the promotion of exports are crucial steps in ensuring India's energy security. By relying more on domestically produced coal, the country can reduce its dependence on foreign sources and insulate itself from global price fluctuations.

The transformation of the coal sector is expected to have a positive impact on the Indian economy. The increased production and export of coal will contribute to economic growth, create jobs, and generate revenue for the government. Additionally, the reduced reliance on imports will help conserve foreign exchange reserves.

According to a study conducted by IIM Ahmedabad, there may exist potential of exporting 15 MT to the following neighboring countries:

- Nepal – 2MT
- Myanmar – 3MT
- Bangladesh – 8 MT
- Others – 2 MT

The Maitree Super Thermal Power Project (MSTPP)(2X660 MW) constructed by Bangladesh India Friendship Power Company Ltd (BIFPCL) is a 50:50 JV between NTPC & Bangladesh Power Development Board (BPDB) requires 5 Million Tons coal per annum as per the international pricing policy

Ministry of Coal's initiatives to reduce coal imports and promote coal exports mark a significant milestone in the country's energy transition. By enhancing domestic production, facilitating import substitution, and promoting exports, India aims to achieve self-reliance, strengthen energy security, and support the growth of the coal sector. These efforts are expected to have far-reaching implications for the Indian economy and its position in the global energy landscape.

Beena Yadav/Shuhaib T

(Release ID: 2038365)