

India's Coal Imports See Marginal Increase Amid Surge in Coal-based Power Generation

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India, endowed with the fifth-largest coal reserves in the world, stands as the second-largest consumer of coal, driven by a rapidly growing economy. However, the current consumption landscape reveals a critical need for imports, particularly for coking coal and high-grade thermal coal, which are not sufficiently available within domestic reserves. This shortfall necessitates imports to support key industries, including steel.

Coal imports during April-July period of FY 2024-25 experienced a marginal increase of 0.9%, reaching 90.51 million tonnes (MT) compared to 89.68 MT in the previous year. Notably, non-coking coal imports increased by 2% during this timeframe, while coking coal imports declined by 2.6%. In July 2024 alone, coal imports rose by 15.9%, reaching 21.81 MT compared to 18.82 MT in July 2023.

Despite a notable growth of 10.18% in coal-based power generation from April 2024 to July 2024 compared to the same period last year, imports for blending purposes decreased by 8.2% during the same period. This decline underscores India's steadfast commitment to achieving self-sufficiency in coal production and reducing reliance on imports. Increase in coal import for power sector is attributed to the substantial quantity of coal import by imported coal-based power plants (designed to utilize imported coal only) i.e. 17.69 MT during this period, up from 10.12 MT in the corresponding timeframe last year. Additionally, coal imports by the non-regulated sector saw a significant decline of 11%, falling from 50.53 MT to 44.97 MT during the same time frame.

Moreover, coal production during the April-July 2024 period demonstrated a commendable increase, reaching 321.40 MT compared to 293.35 MT in the same period of FY 2023-24, marking a growth of 9.56%. This upward trend reflects the government's ongoing efforts to streamline coal usage and enhance domestic production capabilities.

The Ministry of Coal continues to implement strategic initiatives aimed at bolstering coal production and improving availability. These efforts are not only focused on safeguarding foreign reserves but also on enhancing the nation's energy security. The proactive measures taken by the government to increase domestic coal output will ultimately reduce dependence on imports and contribute to the overall sustainability of India's energy landscape. In conclusion, while the dynamics of coal imports present certain challenges, the Indian government's strategic focus on increasing coal production and curbing coal import reflects a positive outlook for the country's energy future. The commitment to achieving self-sufficiency in coal production is vital for maintaining economic growth and ensuring energy security in the coming years.

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