

Coal Import for Blending Purposes in Power Generation Declines by 8.5% During April - September 2024

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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-August period of FY 2024-25 experienced a marginal increase of 2.2%, reaching 111.20 million tonnes (MT) compared to 108.81 MT in the previous year. However, non-regulated sector saw a significant decline of 10.3%, during Apr-Aug'24 as compared to the same period of last year. (Data Source: DGCIS).

Despite a notable growth of 4.97% in coal-based power generation from April 2024 to September 2024 compared to the same period last year, imports for blending purposes decreased to 9.79 MT compared to last year which was 10.70 MT indicating a decline of 8.5% 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 import of coal by imported coal-based power plants (designed to utilize imported coal only) i.e. 26.14 MT during this period, up from 17.07 MT, reaching a growth of 53.1% in the corresponding timeframe last year.

Moreover, coal production during the April-September 2024 period demonstrated a commendable increase, reaching 453 MT compared to 428.21 MT in the same period of FY 2023-24, marking a growth of 5.79 %. This upward trend reflects the government's ongoing efforts to streamline coal usage and enhance domestic production.

However, in value terms, the price of overall imported coal during April-August 2024-25 is Rs. 120,532.21 Cr., whereas the price of overall imported coal during the corresponding period last year (2023-24) was Rs. 133,461.65 Cr. These results in a saving of Rs. 12,929.44 Cr., which is a saving of approximately 9.69% in value terms compared to last year.

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 exchange 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.

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