

Mines regulation amendment bill to be tabled in parliament

A bill seeking to amend the Mines and Minerals Development Regulation Act, 1957, will be introduced in the winter session of parliament, Coal Minister Sriprakash Jaiswal said here Sunday.

The bill will help in reforming the coal and mining sector by allowing transparency in competitive allocation of coal blocks to benefit consuming industries like power and steel, he added.

Currently, coal blocks are allotted for captive use by public and private companies.

The bill will facilitate appointment of a coal regulator for faster allotment of blocks and help rope in more private investment in the sector, the minister said.

The country's biggest coal miner, Coal India, has proven reserves of 106 billion tonnes, and has already handed over 208 blocks to various companies for captive mining.

It has now identified another 216 coal blocks, out of which it proposes to retain 138 and auction the rest. Coal India will also participate in the auction.

In his address at the 'National Seminar on Coal: Partnership for Growth,' Jaiswal said coal production was 493 million tonnes, as against a demand of 555 million tonnes, leading to a shortage of 11 percent that is met through imports.

By the end of the 11th Plan period that ends 2012, the target was to raise coal production to 680 million tonnes, and to a billion tonnes in the next six-seven years.

'The industry needs to grow at nine percent every year to reach this target. And this is a challenging task,' the minister said.

'Production should increase from 0.5 tonnes to 0.7 tonnes per man year in underground mines and from 15 tonnes to 30 tonnes per man year in open cast mines,' he said.

Stressing on the deregulation and further opening up of the sector, Jaiswal said participation of both the public and private sectors were needed to infuse \$8-10 billion over the next five to six years for development and upgrade of coal mines.

Coal India chairman Partha Bhattacharyya said the demand for coal has gone up due to the government's target of massive capacity addition in the power sector.

'Thus, we need greater growth in coal output. But this phase of high growth may taper off once the power capacity addition drops,' he said.

Bhattacharyya said Coal India wished to leverage its strength and build strategic partnerships with overseas companies to import coal at cheaper rates.

'Our talks with global players suggested it is possible to get coal at sustainable prices. We should be able to see something concrete in a year's time,' he said.

The company has also decided to raise the washing capacity for non-coking coal, which now stands at 150 million tonnes per annum in the country.

'Within the next five years, all non-coking coal will be supplied only after washing. For achieving this objective, Coal India will construct washing capacity and set up 19 coal washeries at different locations. All future major projects will have coal washery as an integral part,' he added.

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