

Decline in Share of Coal Import

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There has been a reduction in the share of coal import in the total coal consumption in the country. The share of coal import declined to 21% during April 2023 to January 2024, which was 22.48% during the corresponding period of previous year.

There has been a reduction of 36.69% in the volume of coal imported for blending by thermal power plants, amounting to 19.36 million tons (MT) during April 2023 to January 2024, in contrast to the same period of the previous year. This reduction in imported coal for blending signifies a shift towards utilizing domestic coal, thus reducing reliance on imports.

Conversely, there has been a notable increase of 94.21% in coal imports by imported coal-based power plants during April 2023 to January 2024, compared to the corresponding period in the previous year. As these power plants are designed based on imported coal only, the growth can be attributed to a substantial decline in import prices of coal during the aforementioned period. India primarily imports thermal coal from South Africa and Indonesia, and average prices from these countries decreased by approximately 54% and 38% respectively during April 2023 to January 2024, compared to the corresponding period in the previous year.

Furthermore, there has been a substantial reduction in the auction premium received by CIL, over the notified price of coal. It has decreased from 278% in the period from April 2022 to January 2023, to 82% during the same period in the fiscal year 2023-24. The reduction in auction premium is a testament to the ample availability of coal (currently 96 MT coal stock with coal companies) in the market.

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