

Coal mining, power generation project: MoU signed with Chinese company

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Sindh Chief Minister Qaim Ali Shah said on Monday that the government has assigned top priority to develop coal mining, coal-based power generation and other uses of coal by offering most attractive fiscal incentives. Speaking at the signing ceremony of a Memorandum of Understanding (MoU) for coal mining and power generation project, he said that production of coal would start within three years, and power generation of 900 MW is expected by 2014.

The MoU was signed for mining and power generation in Block-1 of Thar coal field with a known Chinese firm, Global Mining Company. The Chief Minister said that maximum consideration has also been extended towards protection and guarantees to the investors in the coal sector. "These projects are seen as vital for Pakistan's energy security besides having the potential to turn the economy of the country around," he added.

Qaim said that Sindh has huge reserves of coal, out of which 175 billion tons are located in the Thar coal fields. He appreciated the planned investment in the mega project and said that the government would provide all possible help and facilitation to the Chinese company for coal mining and power generation project.

Chairman of Sindh Board of Investment (SBI) Zubair Motiwala, giving details of the MoU as well as the project, said that the provincial government had initiated the process of international competitive bidding for allocation of various blocks of Thar coal field in December, 2010. It was after detailed deliberations and due diligence, that the 'Thar Coal and Energy Board' had allocated Block-1 of Thar coal fields, having area of 122 sq km, to the Global Mining Company (GMC) of China, he added.

He said the GMC intends to develop coal mine of 5 million tonnes/annum initially, and power generation of 900 MW to be scaled up to 2100 MW with an initial investment of amount \$3.0 billion. The Chinese firm is also willing to invest \$1.5 billion in key infrastructure projects. Liyang Liu, CEO of Sino-Sindh Resources, a local subsidiary of Global Mining Company, thanked the government of Sindh for allocation of Block-1 of Thar coal field. He assured that the Global Mining Company would complete the feasibility study within six months, and ground-breaking ceremony of mine construction would be held in the first week of April, 2012.