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Govt. accords top priority to Coal Mining

Karachi—Sindh Chief Minister, Syed Qaim Ali Shah on Monday said the government has assigned top priority to develop coal mining, coal-based power generation and other usage of coal by offering most attractive fiscal incentives. Speaking at the signing ceremony of the Memorandum of Understanding (MoU) for coal mining and power generation project, he appreciated that production of coal will 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 M/s Global Mining Company.

The Chief Minister said maximum consideration has also been extended towards protection and guarantees to the investors in 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,” commented the Chief Minister.

Syed Qaim Ali Shah 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 assured that the government will provide all possible help and facilitation to the Chinese company for coal mining and power generation project.

Chairman, Sindh Board of Investment (SBI) Zubair Motiwala, giving details of the MoU as well as the project said 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, said Motiwala.

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 US\$ 3.0 billion. The Chinese firm is also willing to invest US\$ 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 coalfield. He assured that the global mining company will complete the feasibility study within six months and ground breaking ceremony of mine construction will be held in the first week of April 2012.

The GMC consortium proposes to invest approximately US\$ 4.5 billion upto 2016 and another approximately US\$ 4 billion would be invested to reach the target of producing 10,000 MW by year 2020. The GMC further intends to invest in construction of key

infrastructure such as transmission line, water conduit and effluent treatment system with an estimated cost of US\$ 1.5 billion.

Earlier, Sindh Secretary for Coal and Energy Development Department Mohammad Younus Dagha and Chief Executive Officer of GMC's local subsidiary Sino-Sindh Resources, Liyang Liu, signed the MoU on behalf of Sindh Government and GMC respectively.