

## **GMC signs MoU with Sindh govt for coal power generation**

Published: September 20, 2011



### **OUR STAFF REPORTER**

KARACHI – Sindh Chief Minister Syed Qaim Ali Shah has said that the objective of exploration of coal and mining is to enhance energy sources for Pakistan so as to overcome energy problem.

This was observed by Sindh Chief Minister while addressing MoU signing ceremony between government of Sindh and Global Mining Company of China for coal mining of 5 million ton per year, and power generation of 900MW in Block-I of Thar coalfield, at Chief Minister House here on Monday. He said that this is one of the biggest projects in the history of Pakistan which is expected to be completed within stipulated time.

The Chief Minister Sindh Syed Qaim Ali Shah 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. He further said that Sindh has huge reserves of coal out of which 175 billion ton are located in the Thar Coalfields. Governments of Pakistan and Sindh have assigned top priority to develop the coal mining, coal-based power generation and other uses of coal by offering most attractive fiscal incentives, protections and guarantees to the investors in coal sectors, he added.

These projects are seen as vital for Pakistan' energy security besides having the potential to turn the economy of the country around.

Liyang Liu, CEO of Sino-Sindh Resources, a local subsidiary of Global Mining Company in his speech thanked the Government of Sindh for allocation of Block-I of Thar Coalfield and 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. Production of coal will start within three years and power generation of 900MW is expected by 2014. The GMC consortium proposes to invest approximately \$4.5 billion up to 2016 and another approx. \$4 billion would be invested to research the target of producing 10,000MW.

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 \$1.5 billion.

Zubair Motiwala, Chairman Sindh Board of Investment briefed that the Government of Sindh had initiated the process of International Competitive Bidding for allocation of various blocks of Thar Coalfield in December, 2010 and after detailed deliberations and due diligence, the Thar Coal and Energy Board had allocated Block-I of Thar Coalfields having area of 122 sq. k.m to the renewed Chinese company Global Mining Company of China. The GMC intends to develop coal mine of 5 million tonnes / annum initially and power generation of 900MW to be scaled up to 2100MW with an initial investment of amount \$3.0 billion. They also showed their willingness to invest \$1.5 billion in key infrastructure projects.

Later, an MoU for coal mining and power generation project in Block-I of Thar Coalfield was signed today (19th September, 2011) between Government of Sindh and a renowned Chinese firm, M/s Global Mining Company of China at Chief Minister House, Karachi.

Muhammad Younus Dagha, Secretary Coal and Energy Development Department and Liyang Liu, Chief Executive Officer of Sino-Sindh Resources, a local subsidiary of Global Mining Company signed the MoU on behalf of GoS and GMC.

The ceremony was attended among others by Provincial Ministers Syed Murad Ali Shah, Syed Ali Nawaz Shah, Sharjeel Enam Memon, Zubair Motiwala and others.