

**MoU was signed between Government of Sindh and Global Mining Company of China for Coal Mining and Power Generation Project in Block-I of Thar Coalfield**

An MoU for Coal Mining and Power Generation Project in Block-I of Thar Coalfield was signed on 19<sup>th</sup> September, 2011 between Government of Sindh and a renowned Chinese firm, M/s Global Mining Company of China at Chief Minister House, Karachi. Mr. Mohammad Younus Dagha, Secretary Coal and Energy Development Department and Mr. 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.

Mr. 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. km to the renowned Chinese company Global Mining Company of China. 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. They also willing to invest US\$ 1.5 billion in key infrastructure projects.

Mr. 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 900 MW is expected by 2014. The GMC consortium proposes to invest approximately US\$ 4.5 Billion upto 2016 and another approx. 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.

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 bn 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. These projects are seen as vital for Pakistan's Energy Security besides having the potential to turn the economy of the country around.