

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:126

ANSWERED ON:07.03.2007

DEMAND AND SUPPLY OF COAL

Khair Shri Chandrakant Bhaurao;Singh Shri Ganesh

Will the Minister of COAL be pleased to state:

- (a) whether shortage of coal is resulting in increase in its demand each year by 6-7 per cent ;
- (b) if so, efforts being made by the Government to bridge the gap in its demand and supply ;
- (c) whether private companies and PSUs which have been allotted captive coal blocks are not able to produce adequate quantity of coal ;
- (d) if so, the details thereof ; and
- (e) the details of coal produced by the said private companies and PSUs which have been allotted coal blocks during the last three years ?

Answer

THE MINISTER OF STATE FOR COAL IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

(a) to (e) : A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 126 for 7.3.2007

(a): Sir, Coal demand is a function of growth of national economy irrespective of availability of coal from domestic sources. The demand of coal has been increasing with the national economy steadily doing well. As against the demand of 460.50 million tonnes as envisaged in the Tenth Five Year Plan document for the year 2006-07 (terminal year of the Tenth Plan), the same has now been revised to 474.18 million tonnes during 2006-07. Based on the projections given by the user industries, the Working Group on Coal and Lignite has recently worked out a demand of coal of 731.10 million tonnes in the terminal year of XIth Plan (2011-12) as against the earlier projected demand of 620.00 million tonnes.

As against the Compounded Annual Growth Rate (CAGR) of 3% during IXth Plan in respect of coal demand, it is expected to increase to 5.50% (CAGR) during the Xth Plan. Increase in coal production which was 2.53% (CAGR) during the IXth Plan has improved to 5.70% (CAGR) during the Xth Plan. As against the projected increase of 9.71% CAGR in coal demand during the XIth Plan, coal production is expected to increase by 9.47% (CAGR) during the same period. This shows that coal production has been increasing along with the demand. The demand-supply gap is on account of inadequate reserves of coking and low ash non-coking coal reserves in our country.

(b): Measures taken/being taken to bridge the gap between demand and supply are given below:-

- (i) 97 mining projects have been undertaken for implementation by CIL during X Plan
- (ii) improvement in equipment utilization;
- (iii) timely implementation of projects;
- (iv) all new mines are being planned with mechanization;
- (v) increasing productivity in both underground and opencast mines;
- (vi) 123 coal blocks have been allotted to various private/public sector companies;
- (vii) emergency coal production has been planned for increasing production in existing mines/projects.

(c) & (d): Development of coal blocks involves a gestation period of 3 to 5 years to reach production stage depending on the geo-mining conditions. In case of unexplored blocks, it will take more time, depending on the quantum and depth of drilling to be carried out. Production has already started in 11 coal blocks. 6 more blocks are expected to start production during 2007-08.

(e): Among the blocks allocated during last 3 years to private/public sector only one blocks has come into production. The expected production during 2006-07 from this block is 0.60 million tonnes.