

**Government of India
Ministry of Coal
Lok Sabha
Unstarred Question No. 2604
To be answered on 04.12.2019
FDI in Coal Mining**

2604. SHRIMATI NUSRAT JAHAN RUHI:

Will the Minister of COAL be pleased to state:

- (a) whether Government has allowed 100 per cent FDI in coal mining for all commercial purposes along with 100 per cent FDI in contract manufacturing all through automatic route;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether Government has received any memorandum against this decision from various Coal Unions in the country and if so, the details thereof; and
- (d) whether this move will be a severe blow to the Coal India Limited the national coal mines and if so, the details thereof?

ANSWER

**MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES
(SHRI PRALHAD JOSHI)**

(a) to (d): Government has reviewed the Foreign Direct Investment (FDI) policy in the coal mining on 18.09.2019 allowing 100% FDI under automatic route for sale of coal, coal mining activities including associated processing infrastructure subject to the provisions of Coal Mines (Special Provisions) Act, 2015 and the Mines and Minerals (Development and Regulation) Act, 1957 as amended from time to time and other relevant Acts on the subject. Associated Processing Infrastructure includes coal washery, coal handling and separation (magnetic and non-magnetic). For sale of coal, allowing 100% FDI for coal mining activities including associated processing infrastructure is expected to attract international players and create efficient and competitive coal market.

Various Central Trade Unions (CTUs) had given strike notice to stop work in all subsidiaries of Coal India Limited (CIL) opposing the decision of the Government to allow 100% FDI in coal mining and associated processes via automatic route, for sale of coal.

FDI in Indian coal market is to complement the efforts of CIL in meeting the energy needs of the nation. The nation will be enriched with the infusion of new technology and global best practices, which is also be beneficial for CIL. The experience and core competence of CIL will keep CIL ahead of the competition with greater cost control and operational efficiency.
