

India will diversify coking coal sourcing: Scindia

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India is looking to diversify its coking coal sourcing beyond Australia — the largest supplier. While it has entered into an MoU with Russia; Mongolia could be another possible sourcing nation. Ramp up of sourcing from Mozambique is also being planned, Union Steel Minister, Jyotiraditya Scindia said.

Scindia said logistics and transport costs from some places are quite high and the Ministry is working these out, especially for Mongolia.

Coking coal is a key steel-making raw material and India, the second largest crude steel producer, is also one of

the largest importer the feed-stock material. In FY23, India's coking coal imports were to the tune of 55 mt.

PRODUCTION RAMP-UP

In Mozambique, plans are being worked out to ramp up production from the existing 1.7 million tonnes per annum (mtpa). India — through SAIL and its other partners — owns three mines, namely Benga, Zambeze and Tete East. Of these, only Benga is operational. However, coking coal produced at Benga is not available as an open market product because of high ash and sulphur. Therefore, back-to-back arrangements with promoter companies is required.

"There are plans to increase production from Benga as part of our plans to ramp up production from Mozambique. We are looking at Mongolia too. But there are issues regarding the cost of transportation," he said while listing the achievements of the Ministry between 2014 and 2023.

"We have entered into an MoU with Russia, and some (coal) shipments have started coming," Scindia added.

CVD ON STEEL

"With steel production expected to double, iron ore requirements will also go up from 256 mt to 400 mt; while coal (coking) requirements could go up 50-60 per cent. So we do need to diversify our resource

base," the minister said. According to Scindia, the ministry has already received one or two cases where excess production of a "particular country" is coming into India.

The Ministry is "studying the matter" before putting forward its recommendations on imposition of counter-vailing duties or import duties on such steel shipments.

The steel industry has been raising the issue of increasing imports from China impacting domestic price and demand. Accordingly it has sought reimposition of CVD on steel from the nation.

In FY23, India's steel exports were around 10 mt (including scrap) while import was around 6-7 mt.