

Steel Ministry fast-tracks work on sourcing coking coal from Mongolia

Abhishek Law
New Delhi

India's Steel Ministry has reached out to Mongolia as it looks to start work on creating logistics support and explore possible investments for bringing in coking coal from the Central Asian nation. Union Steel Secretary Nagendra Nath Sinha told *businessline* that a joint working group of Indian and Mongolian government officials is "being activated" to look into the issue.

Also, there is an ongoing discussion to increase sourcing of coking coal from Russia, Indonesia and New Zealand, apart from Mongolia. The move comes in the wake of increasing volatility in coking coal prices, especially in the case of shipments coming in from Australia. Coking coal prices (the bench-marked prime hard coking coal grade from Australia) have over the last six months seen a \$100 per tonne jump. "We don't intervene in the markets (to control price volatility). But there is a joint working group, which we



Nagendra Nath Sinha,
Union Steel Secretary

will activate (to tap alternate sourcing markets). I believe the last meeting took place in 2021. However, I have reached out to the Ambassador of Mongolia and we hope to activate that mechanism to get a better understanding of their mines, the washeries, logistics and so on," he said.

SETTING UP WASHERIES

Earlier discussions within the Ministry saw Mongolian officials being told that there was a need to set up washeries, which would allow India access to better grades of coal (lower ash content). According to Sinha, the Ministry also needs to understand the "ca-

capacity" that Mongolia has in order to import coking coal to India. Mongolia is a landlocked country - with China and Russia - being its key neighbours; and most of its trade takes place through the ports of these two nations. "The joint working group will undertake various explorations (including a look into logistics aspects). On Tuesday, I had reached out to the Ambassador. Hopefully with greater involvement with the Ministries and the industry we should be in a position to achieve some results," he said.

Internal discussions of the Ministry had pointed out to alternative routes being explored if sourcing from Mongolia had to happen. Concerns persist on Chinese intervention. Reportedly, Mongolia has rail connectivity to Russia and China and the ports of these countries. The push is towards leveraging these lines for exporting coal.

Three major rail projects have been commissioned in 2022 and four new railroad checkpoints will be opened, primarily with a focus on mineral transportation.