

India tapping new markets for coking coal: Steel Secretary

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India's steel mills are exploring alternatives as they diversify coking coal sourcing.

Sourcing from Australia is down to 50 per cent — from 70 per cent, in the first few months of this fiscal, while India continues to explore the possibility of tapping into Mongolia for supplies.

Australia is the largest supplier of coking coal to India's mills. Met coke price (FOB-Australia) was at \$314 per tonne as on Friday.

According to Nagendra Nath Sinha, Union Steel Secretary, Indian mills have increased sourcing from alternate countries like the USA, Russia, Canada, Indonesia, New Zealand and Singapore. Increased sourcing from these countries have led to multiple options for mills here.

NEW SUPPLIERS

"Mongolia continues to be a country with which we are engaging for coking coal. On the other hand, Indian mills seem to keen to tap into new supplier countries like Russia. And mills are also experimenting with different coal



Nagendra Nath Sinha,
Union Steel Secretary

grades for blending, which is a good sign," Sinha told *businessline*.

Indian coking coal imports in FY23 was over 56 mt and nearly 52 per cent of this (approximately 35 mt) was from Australia as compared 70 per cent in FY22 when 57 mt was imported.

The trend has continued this year too. In the first couple of months, India imported 9.9 million tonnes of coking coal — a key steel making feedstock — of which nearly 4.9 mt was from Australia (around 50 per cent).

Russia, as per DGFT data, is the third largest supplier to India at 1.65 mt (April-June 23); while the USA is the second largest supplier at 1.96 mt. Mozambique is

another key supplier, but high ash content has led to restricted demand for offerings from the African country.

Despite being the world's second largest producer of crude steel, the country remains import dependent on coking coal — a key raw material.

TALKS WITH MONGOLIA

Sinha said discussions have been on with Mongolia for some time.

While ash content of Mongolian coal is a concern, a second issue that has cropped up involves evacuation or transport of that coal. Mongolia is a landlocked country with China and Russia being its largest and key neighbours.

"We are told that Mongolia is building evacuation facilities on the Russian port side and we are watching this development," Sinha said.

"Mongolia is also setting up processing and washing facilities at its mines and logistics issues therein. We have been engaged with them to explore the possibility of sourcing coking coal. So once these facilities come on-stream, we could tap into that market," he added.