

India to step up coking coal shipments from Russia

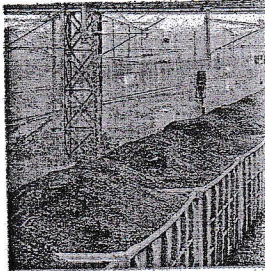
Reuters
New Delhi

India will step up imports of coking coal — a key material in steel manufacturing — from Russia, as cargoes from top supplier Australia drop and steel mills struggle with rising prices, three government sources and an industry executive said.

Steel mills in India have struggled with patchy supplies of coking coal from Australia, which normally accounts for more than half of India's annual imports of around 70 million tonnes.

PRICE JUMP

Last month, prices for Australian coking coal jumped 50 per cent to over \$350 a metric ton due to factors such as maintenance outages, lower than usual supplies from Queensland and a slower train network. Earlier this



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month, Australia assured India of steady supplies of the commodity, two Indian government sources told Reuters. However, India is keen to look beyond Australia and diversify its imports basket, the sources said.

Last year, India's steel mills tried to boost coking coal shipments from Russia.

But stringent economic sanctions against Moscow over the war in Ukraine affected Russian coking coal supplies to Indian mills. But, as Indian buyers and Russian suppliers smoothen payment mechanisms, India's steel mills are set to boost coking coal supplies, the government and industry sources said.

Russian coking coal cargoes are already cheaper than Australian supplies, and some Russian suppliers are willing to lower their prices, they said.

"Discounts and rupee payments have helped (Indian) companies to look at Russia as an alternative source," said one of the government sources.

State-run steel manufacturers Steel Authority of India and Rashtriya Ispat Nigam Ltd have opted for rupee settlement for Russian coking coal, the sources said.