

# **CHAPTER XV**

## **INTERNATIONAL CO-OPERATION**

### **FOREIGN COLLABORATION**

**15.1** To meet country's growing demand for coal, foreign collaboration with the advanced coal producing countries are considered for:

- (a) Bringing in new technologies both in underground and opencast sectors for efficient management in the coal industry and skill development and training etc.
- (b) Seeking bilateral funds for import of equipment, which are not manufactured in the country.
- (c) Bringing foreign financial assistance to meet the investment requirement.

**15.2** Keeping these objectives in view, Joint Working Group on coal had been set up with France, Germany, Russia, Canada, Australia and China. Ministry of Coal is also the nodal Ministry for the Joint Commission with Poland. The priority areas, inter-alia, include acquisition of modern underground mining technology, introduction of high productive opencast mining technology, working underground in difficult geological conditions, fire control and mine safety. Training of Indian personnel as well as assimilation of the technology are an important consideration. With the liberalization of the economy, greater thrust is being given to get the foreign investments /assistance on the basis of cost competitiveness.

**15.3** The latest policy pursued by CIL is to encourage technology up-gradation through Global Tender. Bilateral co-operation, although limited, continues to play an important role for search towards improvement. Global tender approach has been used towards introduction of high productivity Continuous Miners at SECL and WCL. Bilateral co-operation means have been adopted for the introduction of Powered Support Long Wall (PSLW) mining at 3 mines in SECL.

### **COOPERATION WITH CANADA**

**15.4** The expansion phase of Rajmahal opencast project of Eastern Coalfield Limited from 5 Mty to 10.5 Mty has been completed by the Canadian Commercial Corporation on a turn-key basis with financing of the Canadian goods and services by Export Development Corporation of Canada. The 5<sup>th</sup> meeting of Indo-Canada Working Group on Coal was held in Delhi in the month of March, 2001.

### **COOPERATION WITH FRANCE**

**15.5** France has developed expertise in thick seam underground mining with the introduction of advanced technologies like Blasting Galleries and Longwall Sub-level Caving. It has assisted India in introduction of blasting gallery method at East Katras (Bharat Coking Coal Limited) and Chora (Eastern Coalfield Limited). France has also assisted in the introduction of sub-level caving technology at East Katras mine of Bharat

Coking Coal Limited. France had also cooperated in the introduction of high face long wall mining technology in Kottadih Project of ECL.

**15.6** GDK-10 (Block B) and GDK-8 incline projects in SCCL were taken up for introducing blasting gallery technology in collaboration with France. These two projects have already been completed. SCCL has signed another contract for introducing Blasting Gallery method at VK-7 project, which is under implementation.

**15.7** Training Centre at Burradhemo (Eastern Coalfields Limited) had formally been inaugurated in April, 1994 and phased training programmes with the French assistance were successfully completed. This Training Centre will be used to impart training to the personnel of coal mining companies.

**15.8** In order to strengthen the cooperation between two countries and broaden the scope of cooperation especially in coal industry, a Joint Working Group on Coal was constituted, which used to meet annually to address the various problems covering bilateral cooperation. In view of the declining cooperation with France in the field of coal, it has been decided to merge this Working Group with the proposed Working Group on Energy. Three meetings of Working Group on Energy have so far been held and the last meeting of Working Group on Energy was held on 14<sup>th</sup> November, 2002 in New Delhi, India.

### **COOPERATION WITH U.K.**

**15.9** In January, 1997 an Indo-British Coal Forum (IBCF) was established to foster greater cooperation between the two countries in coal sector. The Forum provides a platform for mutual consultations and cooperation between the coal industries of both the countries under the auspices of the Govt. of the India and U.K. The activities which are envisaged under the MOU include sharing of latest know-how technology, organization of meetings for exchange of information, identification of suitable projects as well as methods of funding, introduction of compatible technology for more efficient management in Indian Coal Industry and skill development etc. Eight meetings have been held till now in pursuance of these objectives. Last meeting of IBCF was held on 19-20<sup>th</sup> September, 2002 at Kolkatta, India. Ninth meeting of IBCF is proposed to be held on 29<sup>th</sup> January, 2003 in Chennai, India.

### **COOPERATION WITH POLAND**

**15.10** Ministry of Coal is acting as the nodal Ministry for Indo-Polish Joint Commission on Economic, Trade, Scientific and Technical Cooperation. The last meeting (14th) of the Joint Commission was held in January, 1996. The Commission has 4 sub-committees on (1) Coal Mining and power (2) Trade (3) Industry; and (4) Science and Technology.

**15.11** The projects which were taken up earlier in the coal sector with Poland have since been completed. The Polish Coal Industry has offered their expertise in underground mining, washery construction, thermal power generation, mine safety and rescue. For furthering Indo-Polish Cooperation in the coal sector, it was decided by both sides to form a Working Group for Coal sector. Two meetings of the Indo-Polish Working Group on Coal have so far been held and last meeting was held on 3-4<sup>th</sup> September, 2002 in New Delhi, India.

## **CO-OPERATION WITH RUSSIA**

**15.12** The erstwhile USSR had been assisting CIL in the implementation of the Nigahi Opencast Project (Northern Coalfields Limited), Khadia Opencast Project (Northern Coalfields Limited) and Jhanjra Underground project (Eastern Coalfields Limited). The cost of the imported equipment for these projects was funded from the credit available, while the payment for deputation of experts for rendering technical assistance was made in Indian Rupees under the Bilateral Trade Plan.

**15.13** Indo-Russian Working Group on Coal has so far met seven times. Master Planning of Talcher, IB-Valley and Korba Coalfields have been completed with Russian collaboration. Russian side has submitted an updated proposal under the Bilateral Co-operation for the development of R-VI seam of Jhanjra mine of ECL for delivery of equipment, spare parts and materials with participation on commercial credits of Russian and European banks. Russian side has accepted the financial terms advised by the Ministry of Coal in the Protocol. Final offer as per agreed financial terms is awaited.

Indian and Russian sides agreed upon exchanging scientific and technical information on continued basis on Coal Industry in their respective countries.

**15.14** CMPDIL and VINIMI are in the process of finalizing an MOU between them for continued cooperation in the field of scientific research and implementation of advance technology of mutual interest in coal mining sector. The validity period of MOU between CMPDI and Giproskhakt Russia has been extended for a further period of another three years w.e.f. 12<sup>th</sup> July, 2002.

**15.15** JSC Rudgormash had supplied 34 drillings and it has deputed its technical team for making efforts to stabilize the performance of the drills and for ensuring necessary spare parts supply for uninterrupted operation of the equipment.

## **CO-OPERATION WITH CHINA**

**15.16** At the invitation of Ministry of Coal Industry, Peoples Republic of China, an Indian delegation under the leadership of the then Minister of Coal, Government of India, visited China from 9<sup>th</sup> to 14<sup>th</sup> January, 1994. During this visit, a Joint Working Group was constituted for bilateral co-operation between the Indian and Chinese Coal Industries.

**15.17** The longwall equipment were supplied from China for SECL. They are working at Balrampur, Rajendra and New Kumda since May, 1998. December, 1998 and January, 2000 respectively. An agreement has been signed with CME China in May 2001 for development of Short Longwall Project.

**15.18** As per decision of the Sixth meeting of Indo-China Working Group, CIL requested the Chinese side for techno-economically viable proposals on two projects namely Jhanjra and Kottadih of ECL on bilateral basis. The Chinese side submitted a proposal on Jhanjra, which was discussed in a meeting with the Chinese side at ECL/CIL level. Certain modifications have been suggested by the Indian side to be incorporated in the proposal.

**15.19** In the 7<sup>th</sup> meeting, a techno-economically viable offer was sought for Moonidih mine of BCCL on risk/gain sharing basis. The Chinese side submitted a proposal, which is under examination.

**15.20** On India's renewed interest for development of opencast mine in China with Indian technology and expertise. Chinese side has not yet offered any project.

**15.21** The Eighth meeting of the Indo-China Working Group as well as the Sixth Task Force Meeting took place in Beijing on 4-5<sup>th</sup> June, 2002.

**15.22** Chinese side has also agreed to submit a final techno-economic proposal for working at R-VI seam at Jhanjra mine of ECL and to submit a techno-commercial proposal for working a longwall face at moonidih project of BCCL.

### **CO-OPERATION WITH GERMANY:**

**15.23** Germany is providing concessional project financing for the following projects of Neyveli Lignite Corporation Limited.

**15.24** Direct loan from M/s KfW has been finalized on 26.04.96 for DM 65 Million (Rs.142.17 Crores) for the schemes like Life Extension / Rejuvenation of four nos. of 700 Ltr. Bucket Wheel Excavators in Mine-I and Life Extension programme of units pertaining to TPS-I. A sum of **DM 48.89 Million has been drawn up to 31.12.2002.** (Rs. 112.02 Crores)

**15.25** In respect of Expansion of Mine-I and TPS-I, NLC has entered into an agreement for obtaining a loan of DM 375.2 Million (about Rs.820.68 Crores) from KfW, German financial institution on 13.03.97. Against this, the utilization **up to 31.12.2002 is DM 369.06 Million** (Rs. 840.46 Crores).

**15.26** The Indo-German Working Group on Coal has been meeting regularly and alternatively in India and Germany. The last meeting i.e. the 14<sup>th</sup> meeting was held at Kolkata on 5.11.2001. The two sides discussed and reviewed the projects under implementation and their respective interest in furthering new collaborative projects on mining technology etc. The 15<sup>th</sup> meeting of the Indo-German Working Group on Coal is scheduled to be held from February 12 – 14, 2003 in Berlin, Germany.

### **CO-OPERATION WITH AUSTRALIA**

**15.27** The 2nd meeting of the India Australia Joint Working Group on Energy and Minerals was held in New Delhi on 23-24.5.2001. Both sides noted with interest the reforms initiatives and new development taking place in the coal sector. It was also noted that the collaborations in the past between Coal India Limited and Australian Companies on a few projects have been very fruitful. In the context of the demand and supply of coal projections for the next 10-15 years, there would be tremendous scope for foreign investments in the coal sector in India. For the present, such investments could be routed through transfer of technology or joint ventures in collaboration with private sector Indian companies having captive coal blocks and / or with Coal India Limited. However, once the Coal Mines (Nationalisation) Amendment Bill, 2000, which seeks to open up the coal and lignite mining, as well as exploration, to the private sector and which is now under consideration of the

Standing Committee on Energy of the Parliament, investment opportunities for foreign investors would get further liberalized.

**15.28** The Indian side also expressed their interest in exploring avenues of collaboration in the areas of beneficiation of coal; new opencast mining technologies such as throw / cast blasting etc.; underground technologies such as hard roof management, hydro-fracturing techniques, continuous miner technology; utilization of fly ash and rejects; underground gasification in underground water imbalances etc. Coal India Limited expressed a particular interest in promoting setting up of coal washeries on 'Build- Own- Operates' (BOO) basis. They have already identified about 7 ( seven ) locations for this purpose. Up to 100% foreign direct investment is admissible for setting up of coal processing plants in India.

**15.29** Australia stated that the coal relationship between India and Australia is an important one and that there was much that could be done to further promote and expand the coal trading relationship. Australia further commented that it looked forward to promoting opportunities with India to encourage increased investment and technology transfer in coal sector, particularly in coal resource development, coal handling and utilization. Other identified areas of co-operation included collaboration on coal washery projects, power station upgrades and blending of coal sourced from both India and Australia.

**15.30** The Australian delegation reported on the improved productivity of the Australian coal industry and its importance to the Australian economy. The Indian side requested for more information on policy reforms that have led to this productivity improvement. Emphasis was placed on the internationally competitive nature of the industry.

**15.31** Reference was made to the final stages of the Coal Ports Study and the importance of the level of import tariffs in determining the outcome of the study. Australia reported that the environmental benefits of blending coal was a feature of the final report.

**15.32** Australia emphasized the steps the industry was taking to improve their environmental credentials of the industry with a Coal in Sustainable Society Project and the recent announcement of new Coal Co-operative Research Centre.

**15.33** Both sides stated that the exchange of information on the coal sector was a valuable opportunity to gain a greater understanding of the issues involved in expanding trade and investment in the coal sector between India and Australia.

**15.34** The next meeting of the India -Australia Joint Working Group was held at Canberra, Australia from 29-30<sup>th</sup> January, 2003.

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