

CHAPTER-VI

INTERNATIONAL CO-OPERATION

6.1 To meet the country's growing demand for coal, co-operation and interaction with the advanced coal producing countries have been undertaken for the following reasons:-

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

6.2 Keeping these objectives in view, a Joint Working Group on coal had been set up with France, Germany, Russia, Canada, Australia and China. Department of coal is also the nodal Department for the Joint Commission with Poland. An Indo-British Coal Forum has also been meeting regularly since 1997. The priority areas, inter-alia, include acquisition of modern underground mining technology, know how for 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 also important considerations. With the liberalisation of the economy, greater thrust is being given to get foreign investments/assistance on the basis of cost competitiveness.

COOPERATION WITH CANADA

6.3 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 Canadian goods and services by Export Development Corporation of Canada. The 5th meeting of Indo-Canada Working Group on Coal was held in Delhi in the month of March, 2001.

COOPERATION WITH FRANCE

6.4 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 the 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 Longwall Mining Technology in Kottadih Project of ECL.

6.5 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.

6.6 Training Centre at Burradhemmo (Eastern Coalfield Limited) had formally been inaugurated in April, 1994 and phased training programme with French assistance was successfully completed. This Training Centre will be used to impart training to the personnel of coal mining companies.

6.7 In order to strengthen the cooperation between the two countries and broaden the scope of cooperation especially in the coal industry, a Joint Working Group on coal was constituted. The group meets annually to address various problems covering bilateral cooperation. In view of the declining cooperation with France in the field of coal, it was decided to merge this Working Group with the proposed Working Group on Energy. First meeting of Working Group on Energy was held on 15th-16th March, 1999 at New Delhi and Second meeting of Working on Energy was held on 1st-2nd February, 2001 at Paris.

COOPERATION WITH U.K.

6.8 In January, 1997 an Indo-British Coal Forum (IBCF) was established to foster greater cooperation between the two countries in the 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 in technology, organisation 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 the Indian Coal Industry, skill development etc. Seven meetings have been held so far in pursuance of these objectives. The seventh meeting of IBCF was held on 17-18th January, 2002 at London, United Kingdom.

COOPERATION WITH POLAND

6.9 Ministry of Coal is the nodal Ministry for the 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-committee on (1) Coal Mining and power (2) Trade (3) Industry and (4) Science and Technology.

6.10 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 the coal sector. The first meeting of the Indo-Polish Working Group on Coal was held in Warsaw, Poland on 14th of October, 1998.

COOPERATION WITH RUSSIA

6.11 The erstwhile USSR has been assisting CIL in the implementation of the Nigahi Opencast Project (Northern Coalfields Limited), Khadia Opencast project (Northern Coalfields Limited), Jhanjra Underground Project (Eastern Coalfields Limited). The cost of 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.

6.12 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.

6.13 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 the coal mining sector. The validity period of MOU between CMPDIL and Giprosakht has been extended for another three years (up to 12th July, 2002).

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

COOPERATION WITH GERMANY

6.15 Germany provides concessional project financing for the following projects of Neyveli Lignite Corporation Limited.

6.16 Direct loan from M/s KfW has been finalised on 26.04.96 for DM 65 Million for the schemes like Life Extension / Rejuvenation to 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 **45.298 Million has been drawn upto 31.12.2001.** (Rs.103.86 crores)

6.17 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.839 crores) from KfW, German financial institution on 13.03.97. Against this, the utilisation **upto 31.12.2001 is DM 331.155 Million** (Rs.755.34 crores).

6.18 The Indo-German Working Group on coal has been meeting regularly and alternatively in India and Germany. The last meeting i.e. the 14th meeting was held at Kolkata on 5th November, 2001. The two sides discussed and reviewed the projects under implementation and their respective interests in furthering new collaborative projects on mining technology etc. The 15th meeting of the Indo-German Working Group on Coal is now scheduled to be held in Germany in 2002 on a mutually convenient date.

CO-OPERATION WITH CHINA

6.19 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 9th to 14th January 1994. During this visit, a Joint Working Group was constituted for bilateral co-operation between the Indian and Chinese coal industries. The eighth meeting of the Indo-China Working Group on Coal will be held shortly in Beijing, China.

6.20 Three 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.

6.21 As per decision of the 6th meeting of the 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.

6.22 In the 7th meeting, a techno-economically viable offer was sought for Moonidih mine of BCCL on Risk/Gain sharing basis. The Chinese side submitted their proposal, which is under examination.

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

CO-OPERATION WITH AUSTRALIA

6.24 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.

6.25 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.

6.26 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 cooperation included collaboration on coal washery projects, power station upgrades and blending of coal sourced from both India and Australia.

6.27 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.

6.28 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.

6.29 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.

6.30 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.

CO-OPERATION WITH SOUTH AFRICA

6.31 An Indian delegation led by the then Secretary (Coal), Government of India paid a visit to the Republic of South Africa during 22.1.2000 to 29.1.2000 with a view to making an in-depth study of the underground mining and technology adopted by South African Coal Industry for its replication in the coal mines in India. The delegation

submitted its report. The Report was approved by the then Minister (Mines & Minerals). As per the suggestion by the delegation, the Deputy Minister of Energy and Minerals, Govt of South Africa is being extended invitation to visit Indian coal industry.

6.32 Action is also being taken to constitute a Working Group under the joint Chairmanship of Secretary, Department of Coal, Govt. of India and Deputy Minister of Energy and Minerals, Govt. of Republic of South Africa.