

COAL BOOM : GEOGRAPHY

NEWS: India's Coal Boom Production Surpasses One Billion Tonnes

WHAT'S IN THE NEWS?

India achieved a historic milestone by producing over 1 billion tonnes of coal in FY 2024-25, reducing coal imports and enhancing energy self-reliance. Government reforms like commercial mining and coal gasification have strengthened production, efficiency, and sustainability in the sector.

Historic Milestone in Coal Production

- India crossed **one billion tonnes (BT)** of coal production for the **first time** in FY 2024-25 (provisional).
- The total coal production reached **1047.57 million tonnes (MT)**, surpassing last year's output of **997.83 MT**.

Coal Dispatch Achievement

- Coal dispatch, which involves transporting and distributing coal to consumers like power plants and industries, also **crossed the 1 BT mark**, reaching **1024.99 MT** in FY 2024-25 (Provisional).

India's Role in Global Coal Sector

- India has the **fifth-largest coal reserves** in the world.
- It is the **second-largest coal consumer**, after China.
- Coal forms the **backbone of India's energy supply**, contributing:
 - **55% to the national energy mix**
 - **Over 74% of electricity generation** in India

Reduction in Coal Imports

- Coal imports fell by **8.4%** to **183.42 MT** in April–December 2024, compared to the same period in the previous year.
- This import reduction saved India approximately **\$5.43 billion in foreign exchange**.

Key Government Initiatives in the Coal Sector

1. Commercial Coal Mining:

- Opened up coal mining to private players.
- Aimed at improving **production efficiency, competitiveness, and self-reliance**.

2. Mission Coking Coal:

- Focused on increasing **domestic availability of coking coal** used in steel production.
- Goal is to **reduce import dependence**.

3. Updated Safety Regulations:

- The **Coal Mines Regulations 1957** were revamped as **The Coal Mines Regulations 2017**.
- Emphasizes **modernisation, mechanisation, emergency preparedness, and worker safety**.

4. Coal Mitra Portal:

- Developed for **efficient coal allocation** to power plants.
- Supports **transparent and flexible coal supply management**.

Economic Significance of the Coal Sector

- **Railways Freight Revenue:**
 - Coal is the **largest contributor to railway freight**.
 - It accounted for **49% of freight income**, earning the railways **₹82,275 crore** in FY 2022-23.
- **Government Revenue:**
 - The sector generates over **₹70,000 crore annually** for the Centre and States through:
 - **Royalties**
 - **GST**
 - **Levies and taxes**
- **Employment Generation:**
 - Provides direct jobs to over **239,000 workers** in Coal India Ltd.
 - Supports **thousands of indirect jobs** in **contractual services, transportation, and coal handling**.

Coal Gasification Initiatives

- **Coal Gasification:** A process to convert coal into **syngas** (a mixture of hydrogen and carbon monoxide), which can be used to produce:
 - **Methanol**
 - **Synthetic Natural Gas (SNG)**
 - **Ammonium nitrate**
 - **Fertilisers**
- **Financial Incentives:**

- Government approved **₹8,500 crore** for promoting coal and lignite gasification projects.
- **Revenue Share Rebate:**
 - Offers a **50% rebate in revenue share** for coal used in gasification during commercial mining.
 - Applicable if at least **10% of total coal produced** is used for gasification.

Concluding Remarks

- Coal continues to be **central to India's energy strategy and economic development**.
- India's coal sector is evolving through:
 - **Rising domestic production**
 - **Clean coal technologies**
 - **Improved safety and digital management systems**
- With continued **government support, private sector involvement, and strong workforce participation**, the coal sector is expected to be a key driver of India's self-reliant growth vision towards **2047**.

Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=2118788#:~:text=India's%20coal%20production%20has%20reached,recorded%20in%20the%20previous%20year.>