

Coal Import Share Decline in India

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Context

The Ministry of Coal has reported a decrease in the proportion of coal imports compared to the overall coal consumption in the country.

Coal in India

- **Coal Reserves:** India, a country blessed with ample coal resources, around 319 billion metric tons, is regarded as one of the 7 biggest coal producers and end-users globally. The main reserves of these minerals are in the east, that is, Jharkhand, Odisha, and Chhattisgarh states, and also in the central state of Madhya Pradesh.
- **Coal Production:** India is among the world's five largest coal-producing countries, of which Coal India Ltd. (CIL), a public sector coal mining organisation, is the biggest. India is still facing problems of stricter environmental laws, land acquisition difficulties, and road block of infrastructure, which hamper the country in the coal excavation.
- **Coal Consumption:** Coal is the clear fuel for generation of electricity in India and it represents 70% in the country's total electricity production. Moreover, it receives huge usages in factories especially the ones that produce steel, cement and fertilisers. The trend of growth in manufacturing as well as processing in India results in increasing coal use.
- **Import Dependence:** India being the largest coal producer in the world also has big imports of coal in order to cope with sufficient demand for power generation, especially high-quality metallurgical coal used for making steel. Majorly in the developing stage, the series of coal imports from Indonesia, Australia, and South Africa are in India. Despite the challenges posed, import dependence reduction is being led by enhanced

domestic products and efficiency.

- **Policy Initiatives:** Since the Indian government is undertaking major policy reforms in the coal sector for the cleaner coal future, and for more transparency, the attractiveness of investment and for production efficiency, the sector is regaining the status of another prominent power source in India. These are actions like introducing coal blocks for commercial mining, reforming the coal block allotment process and introducing changes to coal mining policies among others.

Factors attributed for Decline in the share of coal import

- **Energy Policies and Regulations:** Many states are on the implementation side of policies and regulations aimed at achieving a coal-free country because coal's environmental impact is ascertained, thus the concern over its greenhouse gas emission and air pollution. There may well be, on the other side of the coin, interventions by governments in the form of carbon pricing, emissions norms, and subsidies on renewables, that could in turn contribute to the structural shift in the coal industry.
- **Advancements in Renewable Energy Technologies:** The low cost and widespread adaptation of renewable energy technologies like solar and wind is the main factor that builds their competitiveness vis-à-vis coal. Overall, the implementation of carbon pricing has led to several other countries pioneering more investments in renewable energy infrastructure that weakens their coal importation.
- **Market Dynamics:** Volatilities in the coal market price, operation of supply chains as well as demand for electricity can affect coal imports. Regarding economic issues, such as shifting growth rates of global GDP and trends on energy markets, the latter can affect the demanded volume of coal as well. Besides, changes in geopolitical dynamics, mercantile policies and bilateral deals between states may influence the volume of coal imports too.
- **Environmental Concerns:** Emerged ecological contribution and human misgiving as a result of climate change and environmental destructions have prodded to higher scrutiny of coal-fired power plants and the emitted into the atmosphere. At present, discussions concerning air quality, water pollution and the ecological effect of the coal mining industry fanned great desire to seek a clean alternative to coal to be used in electricity generation.

Conclusion

In conclusion, the decline in the share of coal imports in India underscores a broader transformation towards a more diversified, self-reliant, and environmentally sustainable energy sector. This shift not only aligns with global efforts to combat climate change but also positions India for long-term energy security and resilience in a rapidly evolving global energy landscape.

Source: [PIB](#)

Q.Discuss the factors contributing to the decline in the share of coal imports in India. How does this trend impact India's energy security and environmental sustainability goals? Analyse the policy measures and technological advancements driving this shift and assess their effectiveness in promoting a transition towards cleaner and domestically sourced energy alternatives.