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ADB says has no reservations about Thar coal

KARACHI: The Asian Development Bank (ADB) has dispelled the impression that the bank has some reservations about the viability of Thar coal consumption in power plants, but at the same time it lays stress on the importance of environmental standards and project timelines.

ADB Country Director Werner Liepach highlighted the issues in a meeting between Sindh Chief Minister Syed Qaim Ali Shah and ADB board of directors at Chief Minister House on Wednesday.

Speaking about the potential of Thar coal, the chief minister said coal was the most feasible fuel for power plants, which were being switched to coal. A new 600-megawatt coal-based power plant is also being set up at Jamshoro with the aim of diversifying the fuel mix and moving away from expensive imported furnace oil.

However, the chief minister said it would be a great tragedy if despite the presence of huge coal reserves in the country, new power plants were run on imported coal. “This will be a huge drain on foreign exchange and the price of coal will always be subject to international market fluctuations.”

Shah expected a boost to mining work in Thar with the consumption of coal in new power plants, which would also provide long-term economic benefits for Sindh and Pakistan.

Additional Chief Secretary (Development) Malik Israr stressed that only Thar coal, being an indigenous resource, could provide a long-term cost-effective solution to the energy problem and ensure energy security.

Officials of the provincial government told the meeting that international environmental standards would be followed in Thar coal mining. They also said any timing mismatch between conversion of existing power plants into coal and readiness of coalmine at Thar block-II would be covered by Sindh Engro Coal Mining Company through imported coal of Thar specification.

It was agreed that the ADB and Sindh government would work for a better understanding and push ahead with different projects. An amount of \$105 million will be extended for such projects.