

Monday, December 03, 2012

## Qaim woos CIC to invest in power projects

KARACHI: Sindh Chief Minister Syed Qaim Ali Shah on Sunday wooed the China Investment Corporation (CIC) to invest in the projects of coal mining and power generation.

He was talking to a high-powered CIC delegation headed by its President Gao Xiqing, which called on him here at the CM House. The delegation discussed with Shah, Chinese investment in the development of Thar Coal mining and power projects, said a CM House statement. It said that the CIC delegation included Chief Strategy Officer (CSO) Zhou Yuan, President of CIC International (Hong Kong) Fan Kunsheng, Managing Director Cao Yu, Vice-President Lu Jinuo and Director Li Xinxin.

The meeting was attended by Provincial Minister for Agriculture/Chairman Sindh Engro Coal Mining Company Syed Ali Nawaz Shah, Provincial Minister for Finance, Syed Murad Ali Shah, Provincial Minister for Revenue Jam Mehtab Dahar, Chairman Sindh Board of Investment, Muhammed Zubair Motiwala, Raja Muhammad Abbas Chief Secretary Sindh, Ajaz Ali Khan, Secretary Coal and Energy Development Department, Muhammad Siddique Memon, Principal Secretary to the CM, Ms Nasreen Haque, Special Secretary President Secretariat, Abdul Karim Ansari, Additional Secretary President Secretariat, Aliuddin Ansari, President Engro Corporation, Shamsuddin Ahmed Shaikh, CEO Sindh Engro Coal Mine Company, Liyang Liu Chairman Sino-Sindh Resources and Abdul Qayyum CEO Sino-Sindh Resources (Pvt) Limited.

The CIC delegation is visiting Pakistan on the invitation of President Asif Ali Zardari. The chief minister welcomed the delegation and appreciated China's contribution to the infrastructure and industrial development projects in Pakistan. Briefing the delegation, the chief minister said that Pakistan's coal resource potential was estimated to be around 186 billion tonnes out of which 175 billion tonnes were found in Thar – the largest lignite deposit in the world. In order to attract foreign investment, the government of Pakistan and the Government of Sindh had formulated investment friendly policies and fiscal incentives for the coal development, he added.

He said that all the required infrastructure projects like roads, water supply, mine-water disposal, airport and transmission line were being developed by the Government of Sindh and the Government of Pakistan. The chief minister invited the CIC to invest in the projects of coal mining and power generation based on Thar coal.

Meanwhile, Secretary of the Coal and Energy Development Department Ajaz Ali Khan, briefed a high powered CIC delegation at the Chief Minister House here on Sunday and said that the CIC might create an energy investment fund for financing the energy projects. Besides equity, the CIC could also finance in bonds, he said and added, "We have sovereign guarantee for some projects." Ajaz said that the energy fund could be created in collaboration with the Government of Pakistan, Government of Sindh and the project developers and acquiring new blocks in the Thar Coalfield. He was of the view that the CIC could also invest in the ongoing projects where expansion was required.

The Managing Director of Thar Coal and Energy Board further stated, "We also have blocks available at the Thar Coalfield. He was of the view that the CIC might also invest in the 'shovel ready projects through equity partnership and project financing'.

Ajaz also spoke of the Thar Block II Coal Mining and power project of Sindh Engro Coal Mining Company- a joint venture between the Government of Sindh and Engro Group Pakistan and the Thar Block I Coal Mining and Power Project of Global Mining Company of China.

Referring to the key energy issues being faced by Pakistan, Ajaz said that there was rising energy demand and significant shortage. The energy mix was out of step with the world norms. He also mentioned the continuing long term trend of rising oil prices and that the natural gas demand was exceeding the supply. He said that there was a very large untapped potential source of power generation fuel in Thar lignite deposit. Thar desert is one of the largest coal reserves estimated at 175 billion tons.

About the fiscal incentives for the coal development, Ajaz informed that the Thar Coalfield has been declared as the Special Economic Zone. There is 20 % (Dollar based) IRR to firms which achieve financial close before December 2015 for mine and power plants based on indigenous coal and 20.5 % IRR for firms which financial close by or before December 2014.