
Shenhua group likely to invest USD 1.5 billion on Thar Coal

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Pakistan Real Estate Times reported that Chinese state run company Shenhua Group Corporation which had rolled back its plan in 2006 is likely to invest USD 1.5 billion for setting up 1,000 MW coal fired plants.

Sources said that the Sindh government had started reestablishing contacts with the Chinese firm and was giving assurances that no hindrance would be put in place in the project.

They said that Mr Asif Ali Zardari president of Pakistan during his last visit to China had also met with the representatives of the Shenhua Group Corporation and assured them of full cooperation by the government.

According to the sources, the federal government had contacted the Chinese firm in October 2006 to start work at Thar Coal sites and offered increased electricity rates. But the company rolled back its plan after the National Electric Power Regulatory Authority fixed the lowest power purchase rates.

They said that since it was made compulsory that tariff once agreed would not change for 30 years, so the company was insisting to increase the tariff, which would be viable enough to run the business. The rolling back of the plan was a major setback for the country as it was facing the worst ever electricity shortage. Recently, a delegation nominated by the Sindh government headed by Mr Syed Asad Ali Shah member of the Thar Coal Energy Board and Mr Aijaz Khan secretary mines and mineral development department went to China and held talks with the representatives of the Shenhua Group Corporation for the restart of work on Thar Coal.

Sources said that the ill attitude of the federal authorities during the tenure of previous regime had compelled the firm to roll back its plan worth USD 1.5 billion, causing a big loss to the country. The Shenhua Group Corporation had already carried out feasibility studies of Block II of Thar Coal and the work would shortly be started if the company returned.

They said that another Chinese Company Sino Coal was playing an active role in restoring the contacts between the government and the Shenhua Group Corporation and it was hoped that at least 1,000 MW electricity would be added to the national grid in 3 years.

(Sourced from Pakrealestatetimes.com)

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