
Coal investment fever taking shape in Xinjiang

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Xinjiang autonomous region in northwest China takes up some 40% of the China's total coal reserves. In 2007, coal capacity of this place registered 50 million tonnes, while in 2008 the figure is expected to hit 56 to 60 million tonnes.

Recorded in the 2007 mine prospecting achievement report, given by the Land and Resources Department of Xinjiang, 13 coal rich regions have been discovered in the province. Most of them, blessed with an abundant and good quality deposit, are suitable to be built of large mines producing coal for power generation, civil use, gasification and chemical use.

Two coal mines based in Kubai coal field of Southern Xinjiang, in particular, are born to produce coking coal that can be used as resource to make superior and special vanadium titanium alloy steel and quality steel. Wuhan Iron and Steel Corp has lately planned to join in the exploration project of the mines with a view to developing them into its coke base.

Another firm, Shandong based Xinwen Mine Group, has earlier invested CNY 2.5 billion in the China's largest coal chemical industry project in Xinjiang's Ili area, with an annual coal capacity of up to 10 million tonnes. The person in charge of this project said that they will spend 10 and 20 years building up 7 mines there to yield over 30 million ton coal and form a super scaled base of oil substitute with annual capacities of 10 million tonne oil and 1 million tonne olefin.

Many big firms have poured into Xinjiang and jumped into the tide of coal exploration investment fever, including Shenhua Group Corporation, China Huaneng Group, China Huadian Corporation, Shandong Luneng Group, Hubei Yihua Chemical Industry Co Ltd and China Petrochemical Corporation.

(Sourced from Mysteel.net)

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