
Mercator Lines targets 30 million tonne from Mozambique coal mine

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India's second largest private shipping company Mercator Lines has targeted production of 30 million tonnes of coal from its Mozambique mine once it starts production. The mine has estimated recoverable reserves of one billion tonnes.

But sources said that the date of actual production is still some time away and it is expected to kick off in 2010.

Mr HK Mittal chairman of Mercator Lines told Business Line that "We are still carrying out feasibility studies to develop the infrastructure needed. It will take us some time as it is a large asset and we need a lot of investments to produce 2.5 million tonnes every month."

Without offering the financial details, he reiterated that the company had enough funds for the project.

Mr Mittal said that "We were into transportation and handling of coal. So we decided to get into coal mining. We have started with small mines to get the experience and will, in the future, ramp up production to 10 million tonnes."

Mercator recently entered the coal mining sector by acquiring three mines in Indonesia and one in Mozambique as part of its backward integration initiative.

(Sourced from Business Line)

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