INTRODUCTION

Pakistan has a very critical role in China’s Belt and Road Initiative where the latter has allocated around $34 billion for building infrastructure of both thermal and renewable energy resources [1]. The Government of Pakistan is very optimistic about the CPEC projects, which are expected to be the backbone of building energy economy. Pakistan has a per capita energy consumption of 460 kgoe (kg of oil equivalent), which is one fifth as compared to China (Source: The World Bank: Data). It is a clear indicator that the country must increase its indigenous production for improving the living conditions and lifestyle of its citizens. Energy experts and international observers believe that Thar coal could provide a very cheap alternate for an energy deficient country and Pakistan must capitalize on it.

Coal under CPEC

Coal Market of Pakistan

Coal consumption of Pakistan is significantly large as compared to its production. Coal imports in Pakistan has increased almost 6 times between 2013 and 2020 from less than 3 billion to almost 18 billion tons now. It constitutes about 2.75% of total import that is 1.4 billion US dollars every year [2].

Future coal trend has been worked out from the trend of prices being charged to coal power plants in the current regime (taking into consideration various charges i.e. jetty costs, coal transportation costs etc.), resulting in an average cost of Rs. 15,500 Rs/Metric Ton for the year 2020.

Government’s Inclination and plans for Coal

The Pakistani government has recently unveiled new renewable generation targets, seemingly putting an end to the sanctioning of fresh coal-fired projects. Now the focus for Pakistan’s coal industry will be coal-to-gas or coal-to-liquids production. The Development Plan of Oil & Gas Sector of Pakistan is proposed to be launched in the forthcoming 10th Joint Cooperation Committee and subsequently, the plan will be implemented afterwards which mainly includes projects related to Coal-to-Gasification/ Liquid in Thar, North-South Gas Pipeline etc.