

# 100% FDI in coal mining will help India to reach 300 MT

## target: Deloitte

India's move to allow 100 per cent foreign direct investment in coal mining is a "positive move" and a good policy enabler towards the country's long-term ambition of producing 300 million tonnes of steel per annum, a Deloitte official has said.

"I think it is a positive move on the part of the government... The global macro-economic environment is softening and it is a step in the right direction," Andrew Swart, Global leader, Mining & Metal, Deloitte, told PTI.

In August, the government had allowed 100 per cent foreign investment in coal mining and contract manufacturing.

"You get a real opportunity to bring in technical skills in the exploitation of these particular deposits and that's where a lot of international players can add a lot of value to the sector," Swart added.

There is an opportunity to partner with some of the global miners specifically in the area of technology transfer, he said and added that this would be an important step in advancing the competitiveness of India's mining sector, particularly in the area of digitisation.

Digitisation in mining is an important productivity lever with key advances in automation and analytics which is transforming mining, he said.

It will be critical for India to embrace these technologies which will also facilitate the creation of new skills and the creation of new sources of value to communities, he added.

"At the end of the day, India has a significant base of resources which make it a very attractive place for global mining companies to invest," he noted.

"There is lot of global uncertainty around the trade and that is weighing on consumer confidence all around the world. There are a lot of stable geographies such as India which has got large resources which are yet to be exploited...There are many global companies which are looking for opportunities as they look for security of supplies," Swart further said.

When asked whether the FDI in coal mining will help in increasing the efficiencies of domestic coal companies, he said any foreign investment does a couple of key things, including raising the level of competition.

"Foreign investment brings in new technologies, which bring in new techniques, new mindset. And I think that raises the overall competitiveness of industries. So, foreign direct investment has a positive

effect on the industry as a whole. That's why this move on the part of the government is really a step in the right direction," he further said.

The Cabinet had earlier approved the National Steel Policy 2017 that envisages Rs 10 lakh crore investments to take capacity to 300 million tonnes by 2030-31.