

Barge movement of coal from Haldia to Farakka hits snag

NTPC and waterways authority disagree over rates, duration.



A file picture of coal being loaded onto a barge to be taken to the coast.

Santanu Sanyal

Kolkata, April 22

The much-discussed proposal for barge movement of imported coal from Haldia to Farakka (West Bengal) and Kahalgaon (Bihar) is believed to have run into rough weather as the importer (NTPC) and the facilitator of the movement (Inland Waterways Authority of India) do not see eye to eye on several issues.

A memorandum of understanding was signed in September 2008, but with little progress so far. NTPC had indicated it would annually transport 1.2 million tonnes (mt) of coal from Haldia for its Farakka super thermal power plant and 1.6 mt for its Kahalgaon plant.

IWAI had commissioned a feasibility study by ILFS and a draft report was submitted in February 2009. Five general managers of NTPC examined the draft report and recommended that the final report should incorporate the coal handling facilities to be created by IWAI at Farakka and Kahalgaon. Suitable changes were made and the final report submitted in December 2009.

Disagreement over rates

NTPC's primary objection relates to the rates in the feasibility report which it finds higher than the present rail freight of Rs 650 per tonne between Haldia and Farakka.

IWAI argues that these are indicative, and not final rates. With competitive bidding from private barge operators, the final rates are likely to be much less. Moreover, the barge movement is only meant for that part of the traffic which the Railways is currently unable to handle. At present, the bulk of the imported coal required by Farakka and Kahalgaon plants is routed through Paradip (Orissa) and even far-off Andhra Pradesh ports. On adding the landed cost, including railway freight and other costs for bringing coal from these ports, the rates in the ILFS study appear competitive.

NTPC also points to the report's non-inclusion of the Barh project. The foundation stone for the 1,980 MW project was laid back in 1999, with no significant progress so far. NTPC was unable to give firm traffic projections to the ILFS.

IWAI insists on long-term contracts of 7-10 years which NTPC, it is learnt, is reluctant to accept. Several high-level meetings failed to break the deadlock.

Barge movement of coal from Haldia to Farakka/ Kahalgaon is expected to open the gates for much larger movement of traffic along the National Waterway 1. On the return journey, the barges can carry fly ash for export to Bangladesh. The Union Government too might provide a subsidy of 50 paise per tonne km for coal transportation by inland waterway similar to the €2 subsidy per 500 tonnes km given by the European Union.