



## Pakistan starts coal power plants construction

---

22 Sep 15, 18:55 - Coal

London, 22 September (Argus) — Construction is under way at two large coal-fired power plants in Pakistan, which will boost the country's coal imports significantly in the coming years.

Preliminary work at the 1.32GW Port Qasim power plant in Karachi and a 1.32GW plant in Sahiwal in eastern Pakistan began in June-July and is well under way, government power sector monitor the Private Power and Infrastructure Board (PPIB) told Argus today.

Pakistan's power sector authority Nepra estimates that the plants will start up in December 2017, according to generation licences that it has issued for the plants.

The two plants are likely to offer massive upside for Pakistan's coal imports in the coming years. The Sahiwal plant — which will have a 39pc efficiency — is likely to burn at least 3.5mn t/yr of coal, based on an eventual load factor of 80pc and assuming it uses coal with a calorific value of 5,500-6,000 kcal/kg. Chinese utility Huaneng will supply the imports, while its Pakistan-based subsidiary Huaneng Shandong Ruyi will develop the plant.

The Port Qasim plant, operated by Chinese engineering firm Sinohydro, is likely to burn a marginally higher quantity of coal — given its lower 38pc efficiency.

The plants will together more than double Pakistan's present imports of 4mn-5mn t/yr. The plants will burn coal primarily from Australia, Indonesia or South Africa, according to Nepra, although plant operators have so far offered little further detail about what origins of coal they prefer.

But early indications suggest that much of this product will come from South Africa, whose coal competes effectively on a delivered basis to Pakistan against its Indonesian and Australian equivalents, and whose producers have long considered Pakistan an alternative destination for coal that has historically gone to Europe's shrinking market. South Africa delivered some 3.2mn t or as much as 80pc of Pakistan's total receipts last year. And the country almost doubled shipments to Pakistan in August, to 783,000t from 400,000t a year earlier.

The Sahiwal and Port Qasim developments will be the first privately operated coal-fired power plants in Pakistan, laying the groundwork for some 19GW of coal-fired capacity that the country plans to bring on line by 2025 — of which some 13.85GW will come from private-sector developers. Some of this capacity is likely to follow closely on the heels of the 2017 developments, and much will be located on the coast to make use of cheap seaborne product. Pakistani utility K-Electric last week entered into a joint agreement with China Datang Overseas Investment and China Machinery Engineering to develop a 700MW coal-fired power plant at Port Qasim.

dr/jc

Send comments to [feedback@argusmedia.com](mailto:feedback@argusmedia.com)

[Request more information \(http://www.argusmedia.com/Info/General/News\)](http://www.argusmedia.com/Info/General/News) about Argus' energy and commodity news, data and analysis services.

Copyright © 2015 Argus Media Ltd - [www.argusmedia.com](http://www.argusmedia.com) (http://www.argusmedia.com/) - All rights reserved.

---

Notice: By accessing this site you agree that you will not copy or reproduce any part of its contents (including, but not limited to, single prices, graphs or news content) in any form or for any purpose whatsoever without the prior written consent of the publisher.

Copyright © 2014. Argus Media Ltd, All rights reserved | [Click here to view our privacy policy \(http://www.argusmedia.com/Ft/Privacy-Policy\)](http://www.argusmedia.com/Ft/Privacy-Policy)