

Pakistan Chamber of Commerce-USA organized first ever coal forum in Houston

Houston, Texas, November 21, 2010: Pakistan Chamber of Commerce-USA (PCC-USA), the leading trade organization of Pakistani-American businessmen, organized the first ever coal forum in Houston on November 18th & 19th, 2010 to attract investments in coal sector for Pakistan. Business development committee of the PCC-USA had organized this important event, which was a huge success. The Committee included Waseem Rahim (Chairman), Zafar Mansuri, Asif Ehsan, Rashid Khokhar, Sheikh Muhammad Awais, and Saeed Shaikh.

This Forum was attended by 39 US companies ranging from Coal technology to operation to financing. These included some of the biggest names of companies in the Coal sector in USA. There were also 13 organizations that participated in this conference.

During the conference presentations were made by Trevor Bailey, General Manager, Steam Products, GE, USA Jim Powers, VP Coal Gasification, WorleyParsons, VP of American Clean coal Coalition for electricity and Fawad Khan Technology Manager of Synthesis Energy Systems. In response to a question, Mr. Bailey appreciated the efforts of PCC-USA and offered to provide support to explore the creation of Coal Research Institute in Thar. Mr. Ajaz Ali Khan, Secretary, Coal & Energy Development Department, Government of Sindh, Pakistan, requested PCC-USA to work as a bridge between US and Pakistani companies to form joint ventures and alliances.

Chairperson of the Business Development Committee of the PCC-USA, Waseem Rahim provided an overview of the Forum and emphasized the point that Coal provides the most cost effective option to Pakistan to produce cheap and abundant electricity in Pakistan. He pointed to the fact that while USA produces 50% of its electricity from Coal. This number is 75% for China whereas for Pakistan this number is 0.1%.

President of the Chamber Abdul Quayyum Khan Kundi in his welcome address stressed the need to use indigenous resources to bridge the supply demand gap in electric power. He emphasized that clean coal technologies are now available to use coal for power generation. He emphasized the government of Pakistan to put bilateral investment treaty (BIT) negotiations on fast track to attract more foreign direct investment from US investors.

Chief Guest speaker Ambassador Hussain Haqqani appreciated the initiative of PCC-USA for organizing this first coal forum. He informed the audience that PPP government realizes that coal is the most viable energy source for Pakistan. To realize the full potential of coal the government has so far awarded four blocks to foreign investors. He also agreed with the PCC-USA position that BIT should be negotiated on fast track.

Key Note Speaker, Elizabeth Ames Jones, Commissioner Railroad Commission of Texas, explained the Texas energy policy has made Texas one of the most successful energy centers of the World. She emphasized the fact that use of Fossil fuel to generate electricity will be with us for several decades. Ms. Jones explained that in order for Pakistan to develop, it must exploit all sources that can give access to cheap energy. Coal needs to play a pivotal role in this energy

mix. In her concluding remarks, she stated that the huge Coal find could be the “Spindle Top” for Pakistan as Oil find in Texas was for the USA.

Ajaz Ali Khan, who is also Managing Director, Thar Coal & Energy Board, presented an extensive presentation on the Thar coal deposits and the efforts made by the government to tap it quickly. He provided insight into the volume of deposits that are estimated to be 187 billion tones. He briefed the audience on the blocks that are already awarded to foreign investors and the blocks that will be offered for auction in the coming months. He strongly encouraged US investors in the bidding process so that they become active participants. He informed that the incentives offered by Thar Coal board include repatriation of profits in dollars and a minimum return on investment of 20% in dollar terms.

Waseem Rahim, who is also the senior member Advisory Council of the Punjab Board of Investment & Trade for USA, explained the investment opportunities that exist in the mining and power generation for Coal sector in Punjab, Pakistan. He apprised the audience of the potential projects where American companies can participate.

Khalid Mansoor, CEO, Sindh Engro Coal Mining, briefed the audience about the long term view of Engro Corporation in investing in coal fired power plants. He said that the ten years scenario indicate that without using coal as feedstock for power generation it may not be possible to finance the circular debt resulting from imported fuel. He said that Engro Corp. has partnered with Government of Sindh to create a mining company that will provide coal to a 1200 MW power plant built by Engro power. He said that the mining project would cost about \$1.5 billion dollars for which environmental studies have been completed. The power project for 1200 MW will cost about \$3 Billion. He encouraged US Coal Technology companies to come forward and participate in Pakistan’s coal initiative and coal-fired Power generation projects.

Among those present in the forum were Consul General of Turkey in Houston Akil Oktem, Consul General of Pakistan in Houston Muhammad Aqil Nadeem, President of Turkish Chamber Celil Yaka, a former US Ambassador to Qatar Chase Untermeyer amongst many others.

Waseem Rahim articulated at the end of the conference that the path forward plan is to take a delegation of US companies interested in investing in Coal projects to Pakistan. This delegation will not only visit Sindh but will also look at other opportunities that exist for Coal investments in Punjab and other provinces.

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