

Coal shortage shutdown five paper mills in Vapi

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The paper industry is teetering on the edge of a power crisis. The coal shortage has impacted five paper mills in Vapi GIDC which have been closed. This has rendered hundreds of workers jobless.



According to the Gujarat Paper Mill Association, five paper mills in Vapi have temporarily closed due to short supply of coal in the past few days, while many others are struggling for survival.

Most of India's coal-fired power plants have critically low levels of coal inventory at a time when the economy is picking up and fueling electricity demand.

Coal accounts for around 70% of India's electricity generation.

If the supply of lignite coal is not smooth then more units may be closed in the coming days. So far, more than a thousand people have lost their jobs and production has also come down.

According to an industry expert, "Shortage and high prices of imported coal is disrupting paper production in Gujarat." The price of imported coal was Rs 5,000 per tonne one month ago. It was Rs 15,000 when *PrintWeek* filed this report - and may rise to Rs 20,000 per tonne.

Gujarat contributes about 7 per cent of the total production of paper in the country. The paper mills in Gujarat are located in Barejadi, Bavla, Gondal, Khadki, Songarh, Utran, Utvada, Valsad and Vapi.

According to industry sources, there are 100 kraft paper mills in Gujarat, out of which 40 are in Vapi GIDC. These mills use coal in the boiler to generate steam to be used to dry the wet paper. The supply of coal has been decreasing since September, and this has impacted work in paper mills.

Meanwhile, as reported by *PrintWeek* earlier, paper mills in Uttar Pradesh, which have coal-based power generation plants, are facing an acute shortage of coal, after the coal ministry decided to prioritise the supply of coal for thermal power plants. The decision is likely to affect 35 paper mills spread across Bijnor, Muzaffarnagar and Meerut.