



Coal

SCREENING CHAPTER 15 ENERGY

AGENDA ITEM : CONVENTIONAL SOURCES OF ENERGY

Coal

Country Session: The Republic of TURKEY
14-15 June 2006

CONTENT

- Overview
- Legal Framework
- Technical criteria for coal import

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OVERVIEW

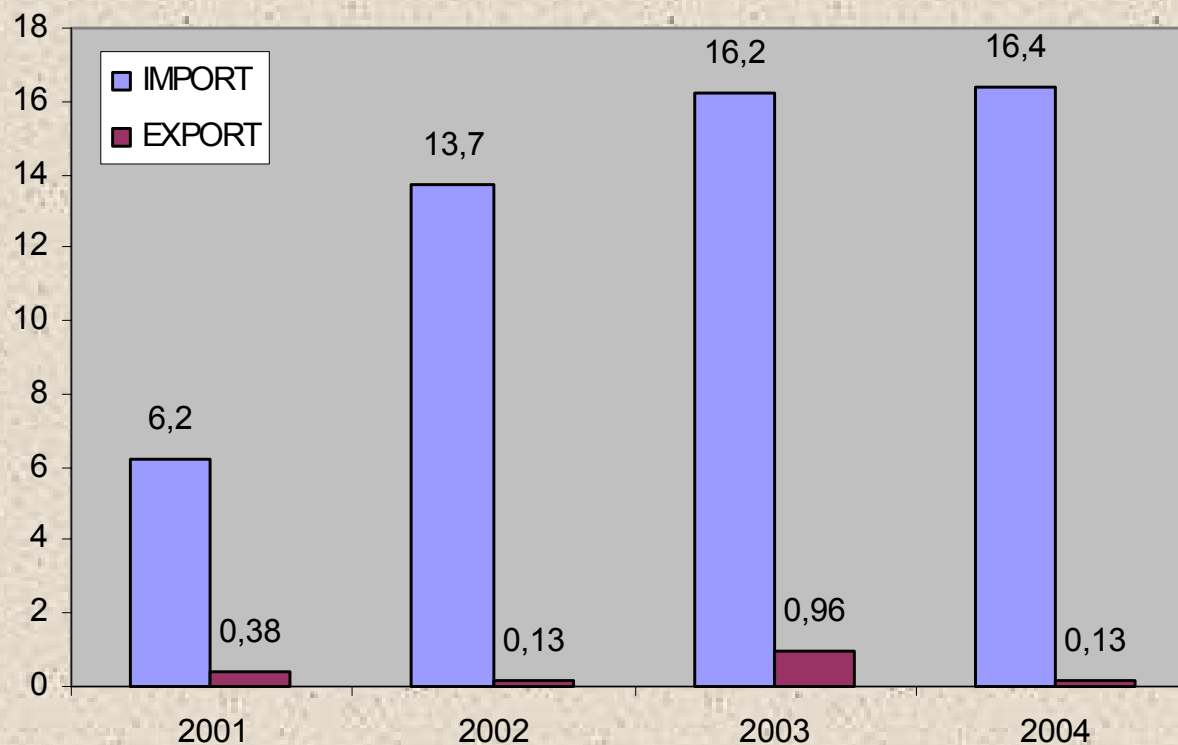
COAL RESERVES AND PRODUCTION (MILLION TONNES)					
	RESERVES	PRODUCTION			
		2001	2002	2003	2004
Hard Coal	1,340	3.5	3.2	2.9	1.7
Lignite	8,300	63.5	54.0	48.7	40.9
Total	9,426	67.0	57.2	51.6	42.6

Source: MIGEM & MTA

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OVERVIEW (CONT'D)

HARD COAL IMPORTS AND EXPORTS (billion tonnes)



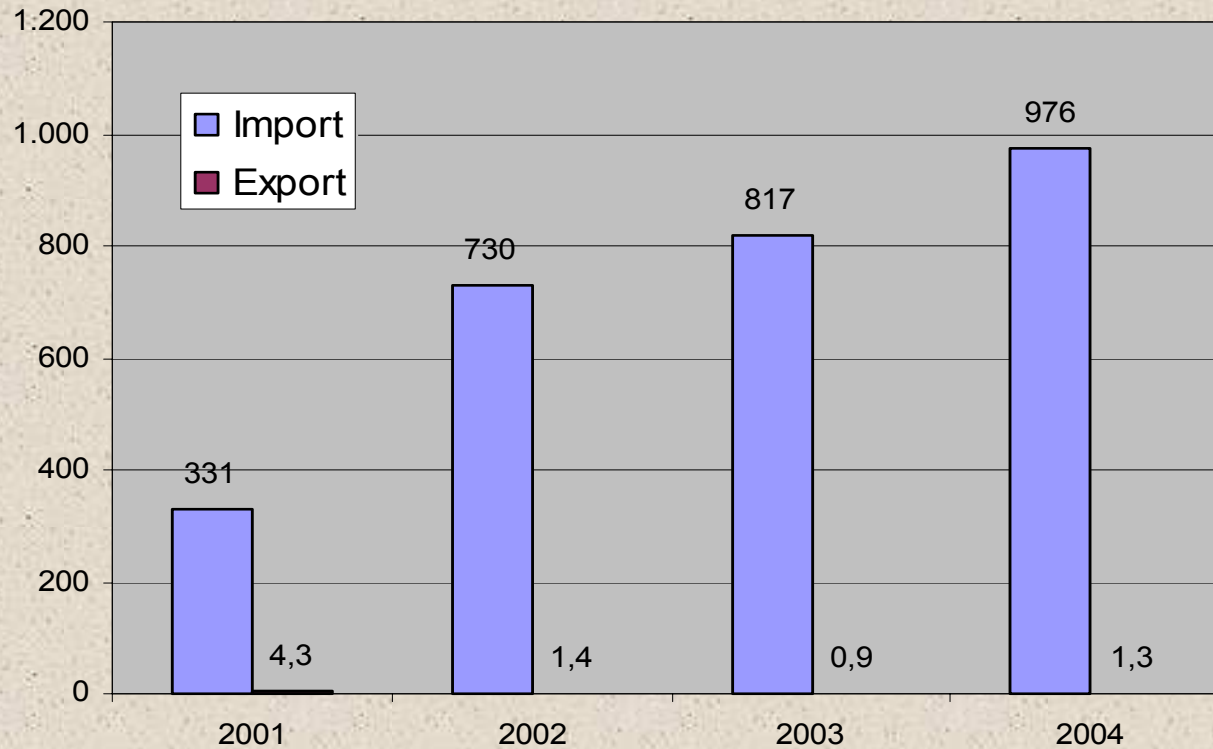
Source: TURKSTAT



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OVERVIEW (CONT'D)

HARD COAL IMPORT AND EXPORT (Million Euro)



Source: TURKSTAT

OVERVIEW (CONT'D)

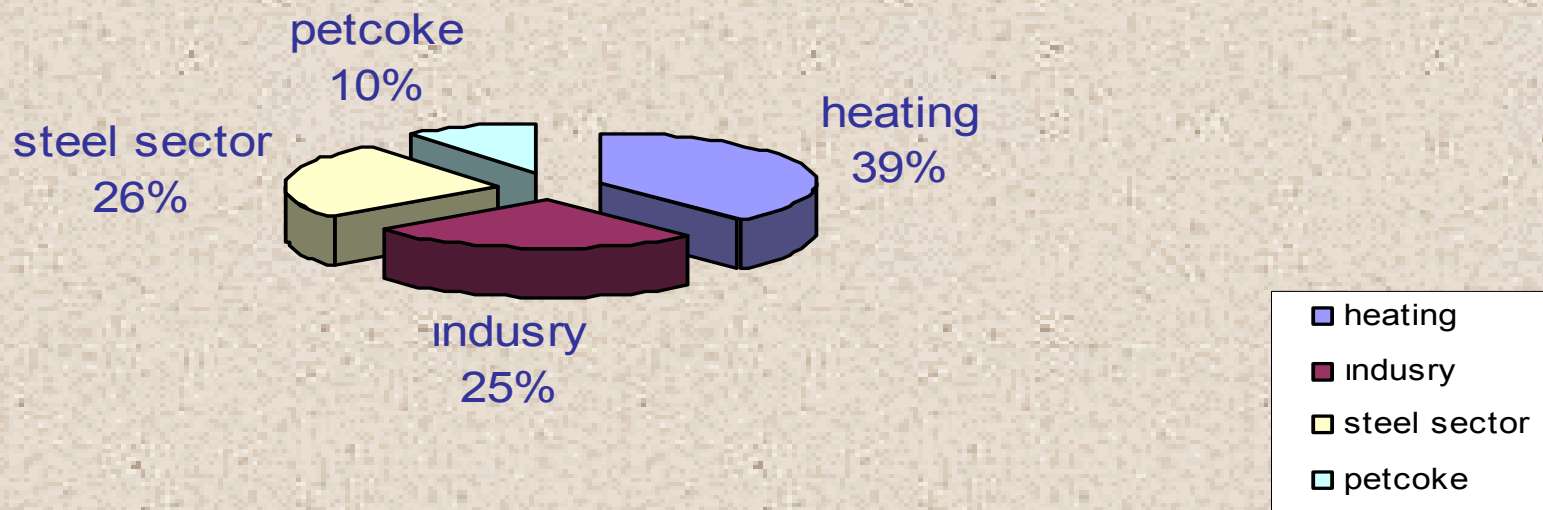
Major coal exporting countries to Turkey;

Russia
USA
Colombia
South Africa
Australia
China
Canada

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OVERVIEW (CONT'D)

Sectors' share using imported coal (2005)



Total coal import was 17,4 million tones in 2005

Source: TKI



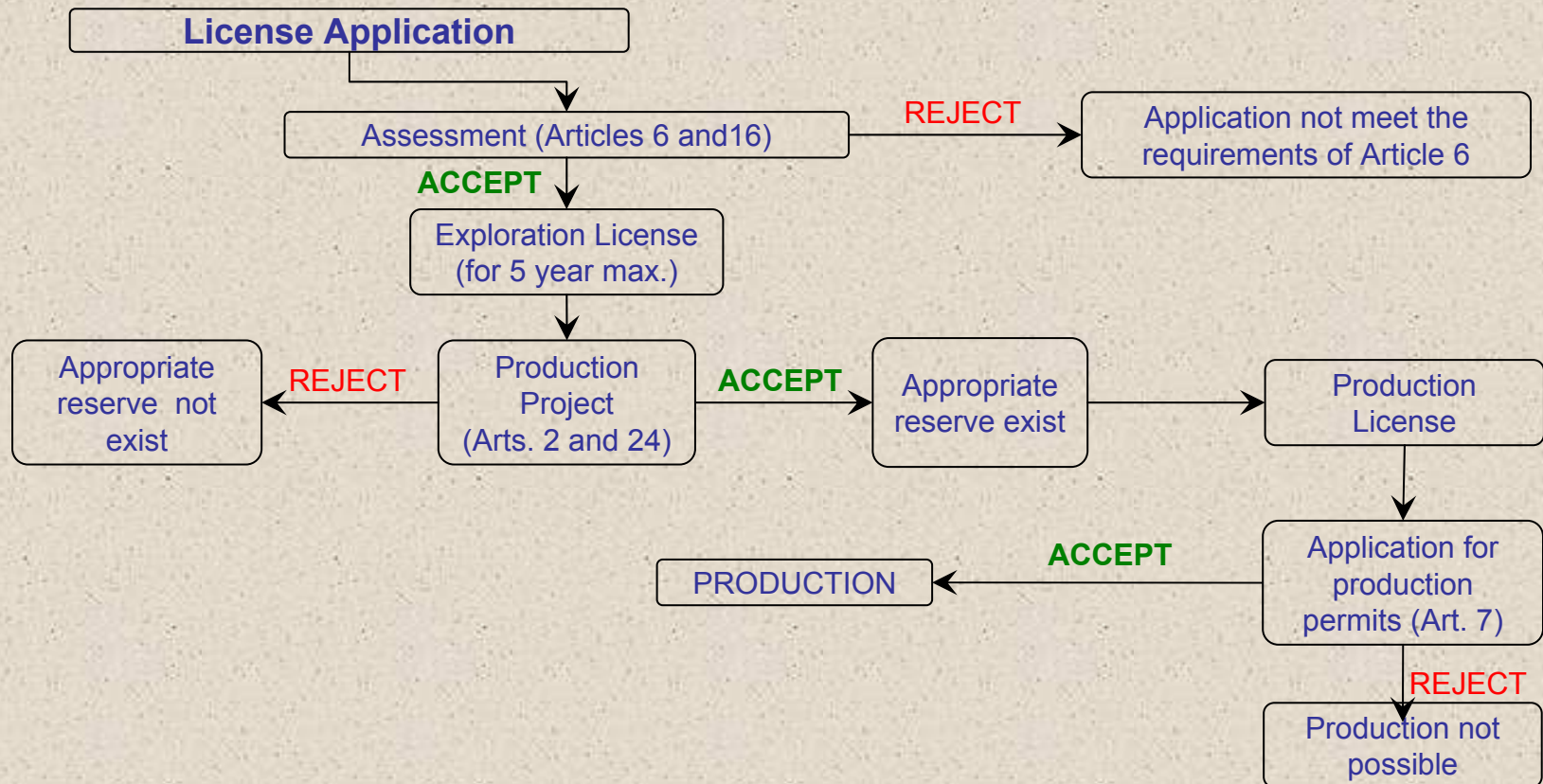
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LEGAL FRAMEWORK

- **Mining Law No 3213 which is amended by the Law No 5177**
(Official Gazette; 04 May 2004 no:25483)
 - **By-law on the application of the Mining Law**
(Official Gazette; 03 February 2005 no:25716)
 - **By-law on mining activities permission**
(Official Gazette; 21 June 2005 no:25852)
- **By-law on the Health and Safety Measurements for Mines**
(Official Gazette; 21 February 2004 no:25380)
- **Cabinet Decree on Technical Regulation and Standardization on Foreign Trade. 2005/9454** (Official Gazette; 13 October 2005 no:25965)
 - **Communiqué on the fuel which are under control in environmental aspect. 2006/7** (Official Gazette; 31 December 2005 no: 26040)

LEGAL FRAMEWORK (CONT'D)

License Application Procedure in Mining Law No.3213





LEGAL FRAMEWORK (CONT'D)

Mining Law No.3213

Defines minerals in five groups (Article 2)

- Sand and Gravel
- Marbles and aggregates
- Dissolved Salts and CO₂
- Metallic, industrial and energy minerals (Including coal)
- Precious stones



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LEGAL FRAMEWORK (CONT'D)

Mining Law No.3213 (CONT'D)

Definition of eligible applicants (Article 6)

Mining rights shall be granted to the Turkish citizens that are qualified to enjoy civil rights, companies that are legal entities established in accordance with the laws of Turkish Republic and whose statute prescribes that mining is included in their field of activity.

LEGAL FRAMEWORK (CONT'D)

Mining Law No.3213 (CONT'D)

Permissions for mining activities (Article 7)

- Determines the principles with regard to environmental impact assessment, issues on non-sanitary establishments and access to land.

Initial application and licensing (Article 16)

- Determines the license application and assessment principles.

LEGAL FRAMEWORK (CONT'D)

Mining Law No.3213 (CONT'D)

Operation license and operating of the minerals (Article 24)

- Until the end of the exploration license term, license holder shall apply for the operation license with the exploration activity report including the reserve information of the detected minerals and the restoration plan of mining area.
- License duration may be extended, if the proven reserve is still available.



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LEGAL FRAMEWORK (CONT'D)

Mining Law No.3213 (CONT'D)

Additional Article 3 on Coal Import

- The Undersecretariat for Foreign Trade, Ministry of Environment and Forestry and the Ministry of Energy and Natural Resources (MENR) shall determine the procedures and principles regarding the import of coal and petrokok mutually.
- On the basis of this article and the Communiqué 2006/7, Ministry of Environment and Forestry determines the technical criteria every year with a circular after consulting with MENR.



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TECHNICAL CRITERIA FOR IMPORTED COAL

TECNICAL PROPERTIES OF IMPORTED COAL	FOR HEATING	FOR INDUSTRY
Total sulphur content (dry)	Max. 0.9%	Max. 1%
Min. Calorific value (Originally)	Min. 6200 kcal/kg (-400)	Min. 6000 kcal/kg
Volatile matter (dry)	Between 12-28% (± 1)	Max. 36%
Total moisture (originally)	Max. 10 %	
Ash (dry)	Max. 14 % (+1)	
FSI	Max. 1%	
Size	18-150 mm ($\pm 10\%$)	Max. 50 mm.



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Thank you for your attention