

SE TheNation
HD **Galilee deal has potential to power India, says Modi**

BY Michael McKenna, Andrew Fraser

WC 510 words

PD 18 November 2014

SN The Australian

SC AUSTLN

ED Australian

PG 8

LA English

CY © 2014 News Limited. All rights reserved.

LP

THERE is a “vast potential” for Queensland’s resource sector to fuel the urbanisation of India and turn it into a world manufacturing hub, Indian Prime Minister Narendra Modi said yesterday.

Speaking in Brisbane, Mr Modi said the Newman government’s move to invest in Indian **energy** giant Adani’s development of the largest proposed coalmine in Australia would be the new standard in the relationship between the two countries.

TD

The Newman government yesterday formally announced that it was negotiating a deal to invest in Adani’s \$2.2 **billion** rail line out of the Galilee Basin to Abbot Point, where its **coal** will be used to fuel power stations in India.

While Deputy Premier Jeff Seeney refused to disclose the amount of funds available to Adani as part of the investment, he said hundreds of **millions** of dollars would help pay for infrastructure throughout the Galilee Basin.

Mr Modi said the offer and Adani’s proposed \$16bn project was part of a ramp-up of investment in Australia as India developed its manufacturing and urban base.

“Queensland can be an important partner in India’s development — in **energy**, mineral resources, agriculture and food security, education and advanced technology in some areas,” he said.

“**Coal** is already a major item of exports to India; but, I see vast potential in resources in general, as Indian industrial sector gathers momentum and grows.

“You can make India a manufacturing hub, for India, for exports and for import back into Australia.” There are three major **coal** projects proposed for the Galilee Basin by Indian companies Adani and GVK as well as Clive Palmer’s Waratah **Coal** and many smaller proposals. But Waratah **Coal** is unlikely to sign up to the Newman government’s offer to help fund the railway line despite having one of the largest **coal** deposits in the area.

Waratah **Coal** has substantial holdings in the north of the basin, and the proposed Adani line runs east from the southern part of the basin. Another railway line from the Galilee to Abbot Point which has been mandated by the Queensland government runs from the north and is backed by GVK in partnership with railway **coal** carter Aurizon.

Mr Palmer yesterday questioned why Adani had been singled out for special treatment, and said the Newman government had ignored his “**China** first” project, despite it being the only major proposal which was fully funded with \$10 **billion** in funding from financial services group Credit Suisse.

GVK is believed to be at least a year away from a final decision because it still needs to survive legal challenges to various environmental and **mining** approvals as well as finalise contracts for the **sale** of **coal** from the Galilee and get its funding in place. Adani yesterday announced that it has received a \$1bn line of credit from the State Bank of India, but even with this it too still had to get all its funding in place before a final decision.

IN i111 : Coal Mining | i1 : Energy | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

NS gpol : Domestic Politics | gcat : Political/General News | gpir : Politics/International Relations

RE india : India | austr : Australia | queensl : Queensland | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | indsubz : Indian Subcontinent | sasiaz : Southern Asia

PUB News Ltd.

AN Document AUSTLN0020141117eabi00053