

India's Adani dismisses banks' Australia coal project snub

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File photo of Gautam Adani, Chairman of the Adani Group, speaks during a press conference in Ahmedabad

India's Adani Group on Thursday brushed aside a decision by three leading French banks not to fund huge coal industry projects in Australia's Galilee Basin near the Great Barrier Reef, saying it had "no bearing" on the company.

Australia last year gave the green light to a Aus\$16.5 billion (US\$12.7 billion) mine development by the firm, with the project set to play a major role in opening up Queensland's resource-rich Galilee Basin.

It also approved a major coal port expansion for Adani at Abbot Point on the Great Barrier Reef coast subject to strict environmental conditions.

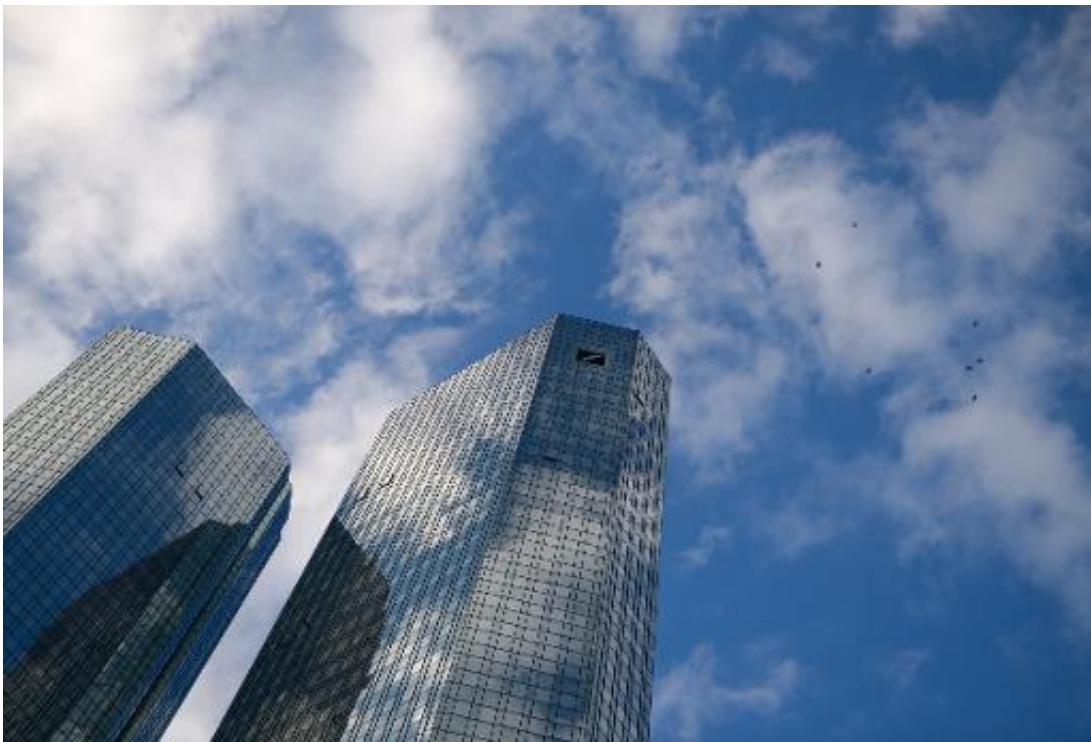
But several Western banks, including Germany's Deutsche Bank and US giants Citigroup, Goldman Sachs, and JPMorgan Chase have ruled themselves out from providing funding for parts of the development, citing environmental concerns.

They were joined Wednesday by France's Societe Generale, BNP Paribas and Credit Agricole, which confirmed to AFP they would not finance the vast mine project.

BNP Paribas said its decision was part of a policy of responsible financing set up several years ago.

"It's the first time the banks have pledged not to finance projects across a whole region because of the impact on the environment and the climate," Friends of the Earth spokeswoman Lucie Pinson told AFP in Paris.

But an Adani spokesman in Queensland dismissed the French banks' decision, telling AFP it "has not formally requested any financing from the institutions you have referred to".



Germany's Deutsche Bank, among several other Western banks, has ruled itself out from providing funding for parts of huge coal industry projects in Australia's Galilee Basin near the Great Barrier Reef, citing environmental concerns

In a statement the spokesman added: "An institution ruling out something it was not requested to do has no bearing on this company."

"Adani's projects in Queensland comply with the strictest environmental conditions in a world's best practice environmental approvals framework.

"The company continues to progress the financing arrangements for its projects in Australia."

The massive project was a "climate bomb" resulting in 705 million tonnes of carbon dioxide (CO₂) emissions a year, or nearly as much as

Germany—the world's sixth biggest national polluter, Pinson told AFP.

The group said Societe Generale, BNP Paribas and Credit Agricole were among the 25 leading international financiers in the coal industry.



The Great Barrier Reef along the central coast of Australia's Queensland is the world's largest coral reef system

The Queensland government last month scrapped plans to dump dredge waste in reef waters as part of the port expansion in favour of land disposal after an outcry.

Conservationists said the plan to deposit three million cubic metres of material into the World Heritage-listed waters could hasten the natural wonder's demise.

They argued the marine dumping would damage the site by smothering corals and sea grasses and exposing them to poisons and high levels of nutrients.

The dredging is meant to allow freighters to dock at Abbot Point, increasing the coal port's capacity by 70 percent to make it one of the world's largest.

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