

Adani: It doesn't make sense not financially, environmentally, nor economically.

Canonical:

<https://northmoregordon.com/news/adani-it-doesnt-make-sense-not-financially-environmentally-nor-economically/>

Details:

Summary | Article | Current use | Related guidance

About this update

This dated news record has been reorganised for clear reading and connected to current guidance.

Publication date: April 5, 2017.

Status note: Present-tense statements, market figures, deadlines and program details in the archived record belong to its publication date. Check current official sources before making a decision.

What this article reported

The Adani coal mine in Queensland will be one of the largest in the world (if it is built) and further threatens the Great Barrier reef from both ships as well as the carbon emissions from the coal when burnt.

But with waning demand globally for coal and given the excellent financial and market analysis by David Fickling at Bloomberg, it just makes no sense. Yet both the Queensland Labour government and the Federal Liberal government persist in pushing forward with support for it, including providing huge financial support even though it that doesn't stack up; it creates around ~2,000 jobs as best and less when running, with most profits going offshore. There is overwhelming opposition nationally and a great deal of concern from southeast Queensland, unanimous opposition from all environmental and climate change groups, let's hope the lack of economics become clear to any investors including our governments. Adani - it just doesn't stack up.

<https://www.bloomberg.com/gadfly/articles/2017-04-02/coal-s-dirty-australian-secret-it-s-not-coming-back#footnote-1491126934982>

How to use this information now

For current use, confirm the applicable scheme rules, regulator notices, market date and reporting period. Keep historical prices or forecasts separate from present quotes and verified outcomes.

Separate source-reported facts from forecasts, targets and commentary. For a current project, retain the official source, version, effective date, assumptions and decision record in the evidence file.

Related guidance

Carbon advisory

Current articles and guidance

Contact Northmore Gordon

What is Northmore Gordon's core argument regarding the Adani coal mine's viability?

We argue the Adani coal mine in Queensland doesn't make sense financially, environmentally, or economically. The article cites financial and market analysis by David Fickling at Bloomberg, highlighting waning global demand for coal. This analysis is relevant to energy transition planning and decarbonisation strategy—key areas where we assist organisations in assessing long-term energy investments and transition pathways to sustainable operations. Such assessments help clients understand whether proposed fossil-fuel projects remain viable under realistic market assumptions.

How does the Adani case illustrate the importance of robust investment-case methodology?

The Adani project demonstrates why transparent investment cases matter. A defensible business case requires clearly stated assumptions about commodity demand, operating costs, capital requirements, and financial returns—separated from speculative projections or political promises. Our investment-case guidance helps organisations evaluate major energy and infrastructure projects by requiring disclosed price assumptions, operating constraints, and comparable analysis across alternatives. This methodology prevents decisions based on inflated demand forecasts or unverified economic benefits.

What does the article suggest about the relationship between coal projects and emissions-reduction targets?

The article implies that major new coal mines contradict Australia's emissions-reduction commitments and the broader global energy transition away from fossil fuels. Each tonne of coal extracted and burned generates scope 1 and 3 emissions, undermining decarbonisation progress. Our carbon advisory services help organisations quantify their emissions footprint across all scopes and develop transition pathways that move away from fossil-fuel dependence. Understanding cumulative emissions from new extractive projects is essential for credible climate strategy.

How does the article's critique relate to decarbonisation decision-making for industrial clients?

The Adani analysis demonstrates that organisations cannot assume traditional fossil-fuel supply chains will remain economically viable. Industrial clients must assess whether continued reliance on coal aligns with long-term market trends and regulatory direction. We assist through electrification-feasibility studies, renewable-heat assessments, and transition-pathway development that evaluate alternatives to coal-dependent operations. These services help clients identify viable decarbonisation routes before global coal markets deteriorate further.

What does the article reveal about the gap between claimed and actual employment benefits from major coal projects?

The article notes the Adani mine would create approximately 2,000 jobs during construction but fewer permanent operational roles, while most profits flow overseas. This pattern reflects a common mismatch between political rhetoric and genuine economic benefit. Our business-case methodology requires separating claimed employment and tax benefits from documented outcomes. When evaluating energy or industrial investments, organisations should require transparent evidence of local benefit—not speculative job estimates—to justify capital allocation.

How do the environmental concerns identified in the article connect to Northmore Gordon's carbon-accounting work?

The article identifies two environmental pathways: direct marine transport impacts and scope 3 emissions from coal combustion at burning sites globally. Proper emissions accounting must capture both. Our scope 1, 2, and 3 inventory work helps organisations understand complete supply-chain emissions, including extracted products and their eventual use. For organisations considering fossil-fuel supply chains, this comprehensive boundary definition reveals true environmental impact beyond site-level energy use.

What does the article suggest about stakeholder expectations regarding new fossil-fuel projects?

The article describes overwhelming public opposition, environmental-group consensus, and community concern about the Adani project—signalling that stakeholder expectations have fundamentally shifted against new coal development. Organisations pursuing carbon strategy must recognize this market and social reality. Our carbon-advisory and transition-planning work includes stakeholder engagement and reporting that demonstrates commitment to decarbonisation. Organisations investing in new coal face reputational, market, and regulatory risk that robust transition planning helps mitigate.

How does the Adani analysis illustrate the importance of realistic demand forecasting in energy projects?

The article, citing Bloomberg analysis, highlights that the Adani project assumes coal demand will sustain indefinitely—an assumption contradicted by global energy-transition trends and falling renewable costs. Unrealistic demand projections undermine entire investment cases. Our feasibility and forecasting work requires evidence-based demand assumptions and sensitivity analysis to plausible market changes. Energy projects must be resilient to declining commodity prices and shifting customer preferences—a discipline that separates credible business cases from speculation.