
China Coal Groups reaches out for coal

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According to JP Morgan as China coal imports have continued to increase owing to constrained coal output at home, China will have become for the first time in history a net importer of coal in this year,

Presently coal stock at Qin Huangdao port which receives half of the coal on sea, remains at about 4 million tonnes compared with the average of 5.4 million tonnes in the H1 of the year. Coal price is expected to rise further in Q4. At the time when China facilitates coal imports, coal plants at home are also seeking to invest in foreign mines so as to stabilize supply.

An insider from a power plant said "Many domestic power plants are intended to purchase foreign mine or share of them at least, but yet it's not easy."

On October 27th China Investment Corporation bought 30 year term convertible bonds from SouthGobi Energy Resources Ltd a subordinated company of Ivanhoe Mines Ltd.

Similar to China Investment Corporation, China Huaneng Group, one of China major power plants in July 2009 expressed its intention to bid for the 51% shares of PTBERAU COAL, Indonesia's fifth largest coal company aiming at feeding its domestic power plant.

(Sourced from MySteel.net)

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