
China to remain major coal importer - Peabody Energy

Saturday, 07 Nov, 2009

Mr Greg Boyce CEO of Peabody Energy Corp at a media conference in Sydney said that "China turning net importer is a structural change. We expect Chinese rapid coal demand growth to continue for some time."

Mr Boyce who expects healthy increases in coal contract prices for the 2010-2011 Japanese financial year starting April 1.

This contract year coking prices settled at USD 125 a metric ton and thermal coal prices at USD 72 per tonne. Mr Boyce said that "There is no question that coal demand is continuing to increase. Spot prices for metallurgical coal are higher than benchmark prices and we are seeing economies starting to recover."

During January to September 2009, China imported nearly 26 million tons of coking coal, up nearly fivefold on the year and coming at a crucial time for miners when coking coal demand in other major countries plummeted. Australia supplied 17.4 million tonnes of those imports.

Total coal imports to China until September are at nearly 86 million tonne up more than double on the year.

During the first nine months of the year, Peabody has committed nearly 3.3 million tonnes of coal for China deliveries, including more than 1.7 million tonnes from its Australian operations.

Mr Boyce said that "It looks to us like (China's) strategy is to satisfy an increasing amount of electricity demand in southern and eastern China from imported coal and to actually keep the coal mined in northern and western China there and convert it in the region."

(Sourced from Market watch)

For more news visit at www.steelguru.com