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## Peabody sees coal trade in Pacific to grow by more than 7pct annually

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Reuters reported that US coal miner Peabody Energy expects seaborne coal trade in the Pacific region to grow by more than 7% annually for several years, underpinned by robust demand from China and India.

Mr Greg Boyce CEO of Peabody said that contract prices of thermal and coking coal next year are also expected to see healthy increases, supported by a recovery in demand as economies regain strength after the global financial crisis. He added that "We see the vast majority of growth being driven by China and becoming more important is growth in India."

After demand for thermal and coking coal slumped in traditional importers such as Japan and Korea earlier this year, China emerged as a rare bright spot, importing huge volumes of coal due to the shutdown of many unsafe mines in the country.

China is set to become a net coal importer for the first time this year, with thermal and coking coal imports from January to September having jumped 167% and 400% respectively, while exports have plummeted in the same period.

Mr Boyce said that India will also rely heavily on imports over the next five to six years to meet surging domestic demand. He added that "There is no question that coal demand is continuing to increase. Spot prices are higher than benchmark prices and we are seeing economies starting to recover."

Peabody said last month that it would double exports from Australia in the next 5 years, bringing coking coal exports to between 12 and 15 million tonnes per year and thermal coal to 15 to 17 million tonnes per year.

(Sourced from [www.reuters.com](http://www.reuters.com))

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