
Coke exports in first three quarter plunge by 97pct YoY

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Statistics released by China Customs on November 20th indicated that China coke exports in the first three quarters of the year remained at 364,000 tonnes with a total value of USD 130 million marking a drop of 96.7% YoY and 97.5% YoY respectively. The average export price remained at USD 361.7 per tonne down by 23.5% YoY.

1. Monthly export volume since 2009 has been less than 100,000 tonnes. The lowest volume appeared in May when meager 21,000 tonnes was exported, the lowest since 2008. The figure was still lingering at a low track in September when China exported 39,000 tonnes of coke down by 97.2% YoY. The average export price in September stood at USD 367 per tonne down by 40.8% YoY.

2. Most of it was exported as common trade. During the first three quarters China exported 306,000 tonnes of coke through common trade down by 97.2% and accounting for 84.1% of all. The rest are of small value trade across the border which took up 58,000 tonnes of coke down by 78.6% YoY.

3. Japan, India and Kazakhstan got most of it. 104,000 tonnes was exported to Japan down by 94.1% YoY, India 60,000 tonnes down by 94.2% YoY and Kazakhstan 54,000 tonne down by 72.9% YoY. The above three countries got 59.9% of coke exported in this period.

4. Most of the coke had been exported by state-owned enterprises, which exported 217,000 tons, plunging by 96.6% YoY and accounting for 59.6% of coke of the period. Besides, private enterprises exported 132,000 tonnes of coke down by 96.5% YoY and taking up 36.3% of all.

Reasons for the sharp drop in coke exports.

Hit by the economic recession, EU, America, Japan and Korea etc, which used to be the main importers of Chinese coke have witnessed widespread shut-down of steel mills or capacities which has curbed the demand for coke. European Confederation of Iron and Steel Industries estimated that Europe steel consumption in 2009 will be 33% lower than in 2008. Coke as a crucial ingredient for steelmaking will be destined to be affected.

In addition, as a typical product ruled as high consumption and high pollution by the government, coke has seen its export tariff raised up to 40% from 25% since August 20th 2008. As the high tariff cuts off the profits of export, coke export has thus gone down sharply.

Problems that we are facing.

1. Europe and America are now suing China for limiting exports of coke and other raw materials, and demand that China should lower the export tariff or increasing the export quotas of them.

2. As coke plants are now releasing their capacities by large quantities amid the recovering economy, the balance of supply-demand relations may be put onto test once again, and once problems occur, coke plants will reenter into red.

3. The increasing imports of coke may worsen the competition in domestic coke market.

(Sourced from MySteel.net)

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