
Chinese coal hunger to push up global price - Analysts

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It is reported that China's appetite for imported coal will provide a solid floor for global prices of the commodity this year, but its imports may miss last year's peak as price sensitive buyers shy from rebounding prices.

It may be noted that China sucked up the excess coal supply in the Asia Pacific market in 2009 and attracted coal from as far away as Colombia, South Africa and the United States as the economic downturn compressed world demand and pulled down international prices.

Analysts said that China's coal consumption growth could keep pace with economic growth in 2010.

Mr Lu Ping, an analyst at China Merchants Securities, said that "The consensus is that China's coal output is likely to hit 3.3 billion tonnes, from last year's 3 billion tonnes. Demand is probably going to grow 8 to 9%, in tandem with GDP growth. Imports may fall below 100 million tonnes in 2010, unlikely to stay on last year's stunning level. It won't be as easy to buy coal from the international market as last year."

Mr Don Lindsay, the senior manager of Teck Resources, said that "Even if China just maintains at the present level, the international coal market is going to be tightened in next two or three years as the world economy recovers gradually."

(Sourced from www.sxcoal.com)

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