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## South African export coal retreats on weaker European demand

*Thursday, 18 Mar, 2010*

Bloomberg reported that prices for coal shipped from South Africa's Richards Bay fell for the first time in 4 weeks on weakening European demand.

According to IHS McCloskey, export prices declined USD 1.15 or 1.4% to USD 82.95 per tonne in the week to March 12. That's before transport expenses and above the USD 71.45 per tonne it costs for coal delivered to Europe. UK power companies' stockpiles are 4.9% below record levels in September.

Mr Emmanuel Fages an analyst in Paris at Orbeo, Societe Generale SA's carbon trading venture with Rhodia SA said that "This is a clear sign of weakness in thermal coal demand in Europe. Asia has driven the coal market in the first quarter of 2010."

Mr Fages said that Richards Bay prices will rise 32% on average this year to USD 84.60 per tonne and the delivered price to Europe will gain 26% to USD 87.50. Coal exports from the terminal fell 5% in February. Shipments dropped to 4.94 million tonnes from 5.2 million tonnes a year before. At the February rate, the terminal would ship about 60.5 million tonnes this year.

(Sourced from Bloomberg)

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