
Huaneng expects coal prices to stay high

Friday, 24 Oct, 2008

Reuters cited Huaneng Power International, China's top listed electricity power supplier as saying that it needs another huge power tariff hike to offset soaring coal costs, as it expects prices to remain high in 2009.

Executive analysts said that the firm needs another CNY 0.27 per kilowatt hour of tariff increases this year to maintain its profit level of 2007, but did not say if they were referring to actual profit or growth.

Beijing based Huaneng aims to contain unit fuel cost growth at 50% this year, much higher than an original target of 18% set at the beginning of 2008.

Huaneng posted a loss of CNY 2.16 billion in the 3rd months ended September, versus a profit of CNY 1.5 billion a year ago, and expects a record loss for the whole of 2008 as soaring coal prices swallowed up the impact of two power tariff hikes.

For more news visit at www.steelguru.com