
Shanxi contract coal price unlikely to rise in 2009

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It is reported that Coal order-placing meeting in Shanxi Province has kicked off, but contract price is unlikely to rise in 2009 against a backdrop of dull demand.

As per report, the meeting this year covers three principles: to go in line with national policy, which is expected to be released in the year end; to negotiate friendly and deal with difficulties jointly; to give modest preference to prices within the province. In the meanwhile it is planned that Datong-Qinhuangdao railway line will ship 50 million tonnes more next year and Shijiazhuang-Taiyuan line will transport 30 million tonnes more.

An insider said "Coal enterprises led by Datong Coal Mine Group have not fulfilled the contracts seriously this year and contract price has increased, hence price for next year may not rise. But for enterprises that strictly carry out contracts this year, such as Shanhua Group and China National Coal Group, contract price may increase for 2009."

On the other hand, Mr Wu Yongping board chairman of Shanxi Datong Coal Mine Group has noted that domestic coal price is likely to fall further in 2009 following steam coal price slump in the second half of this year.

(Source: Shanghai Securities News)

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