
Huaneng Power aims to end coal price fight

Saturday, 04 Apr, 2009

Reuters reported that Huaneng Power International Inc China's largest electricity provider, has retreated from its bid to cut contract coal prices in an effort to speed talks between the country's coal miners and power generators.

Mr Cao Peixi Chairman of said Huaneng Power International Inc said "Our bottom line is that we want the coal price to remain at last year's level, referring to the contract coal price set between China's miners and power producers. He said that "My feeling is that we are getting closer to a resolution. Negotiations will be quicker from here on."

The contract coal price was at CNY 504 per tonne in 2008.

The outlook for power producers is clouded by uncertainty over annual coal prices in 2009 and the high coal costs last year had sent Huaneng to a record second-half loss.

Huaneng plans to a total of CNY 33 billion in capital expenditures in 2009 up from 28 billion a year ago. Mr Zhou Hui Chief Accountant said but it has no plans to raise equity and any fundraising will come from issuing debt or bank loans.

(Sourced from Reuters)

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