
Chinese coal oversupply deepening in May

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Statistics from Ministry of Industry and Information Technology of the People's Republic of China show that in May 2009, China's raw coal production volume stayed at 248 million tonnes going up both YoY and MoM as this is equally indicating that China's coal oversupply is deepening, as there's still no obvious recovery of power generation in this month.

The ministry also expressed that coal stock also increased at main ports and power plants. In late May, coal stock at Qinhuangdao port rose to 4.74 million tonnes increasing by 1.15 million tonne compared with early May.

Mr Li Chaolin coal expert said that "The actual demand is going up, though power plants are consuming less and less coal." He pointed out that the quantity of coal required by the chemical industry and construction material industry is rising, and in addition, some new capacities have been released in May.

Statistics show China's upper-scale power plants generated 283.9 billion kilowatt hour of electricity in May edging down by 2.7% YoY with the declining rate down by 0.8% compared with last month.

(Sourced from Mysteel.net)

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