

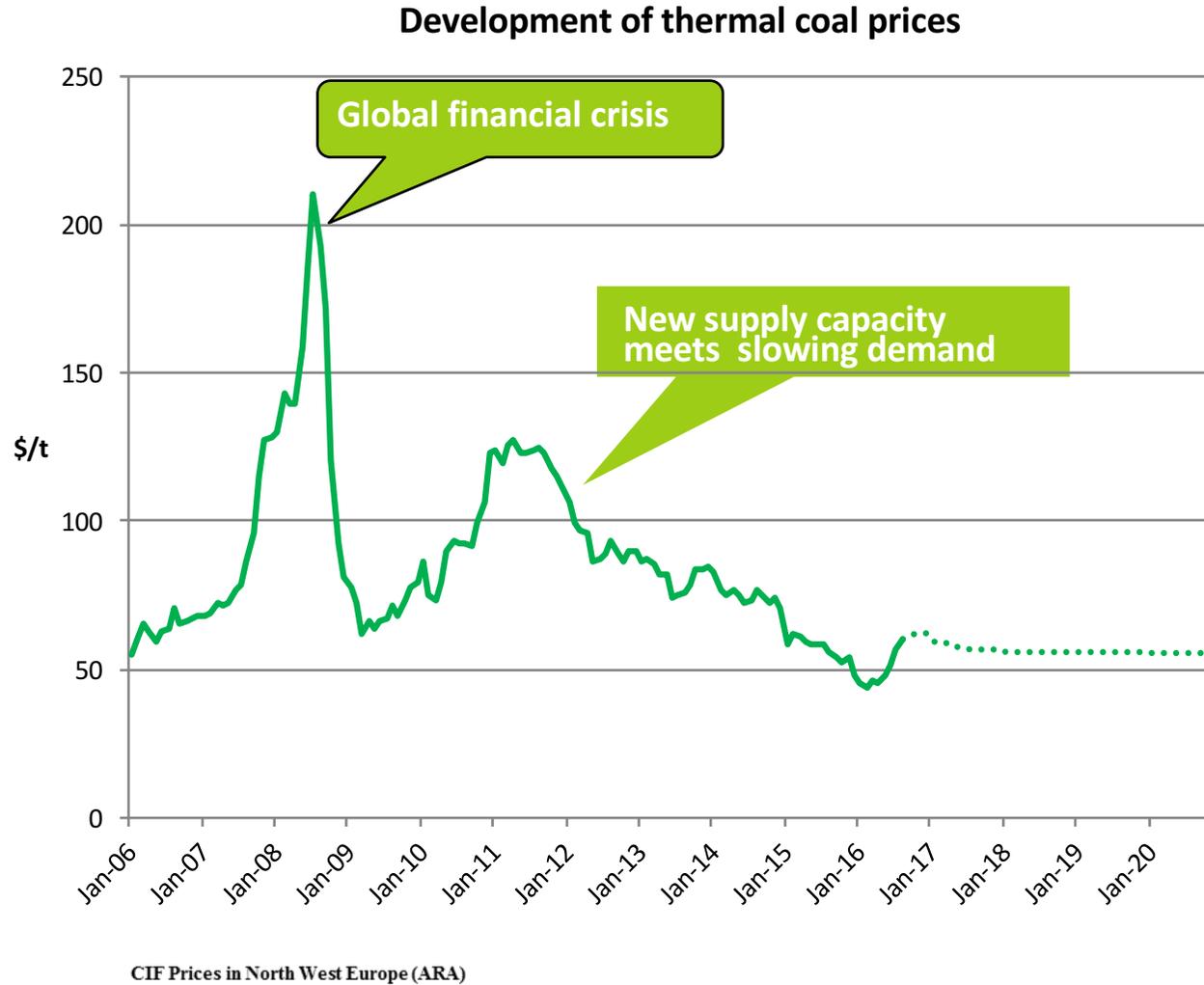
# Outlook of Global Coal Markets

**Paris, 20 September 2016**

# Coal in today's energy system

- **The importance and implication of coal today**
  - *Main energy source for electricity, steel and cement production*
  - *Important for economic & social development & energy security*
  - *Produces almost 50% of CO<sub>2</sub> emissions & is a key source of air pollution*
  
- **China is at the center of the coal world**
  - *Responsible for 80% of rise in coal use since 2000 & now half global use*
  - *Is world's top coal producer and – until recently – largest importer*
  
- **After a decade of 4% growth, global coal use halted in 2014, declined in 2015 and will probably do in 2016**
  - *After being at decade lows on a glut of supply & tepid demand*
  
- **The COP-21 Paris Agreement raises important questions for coal**

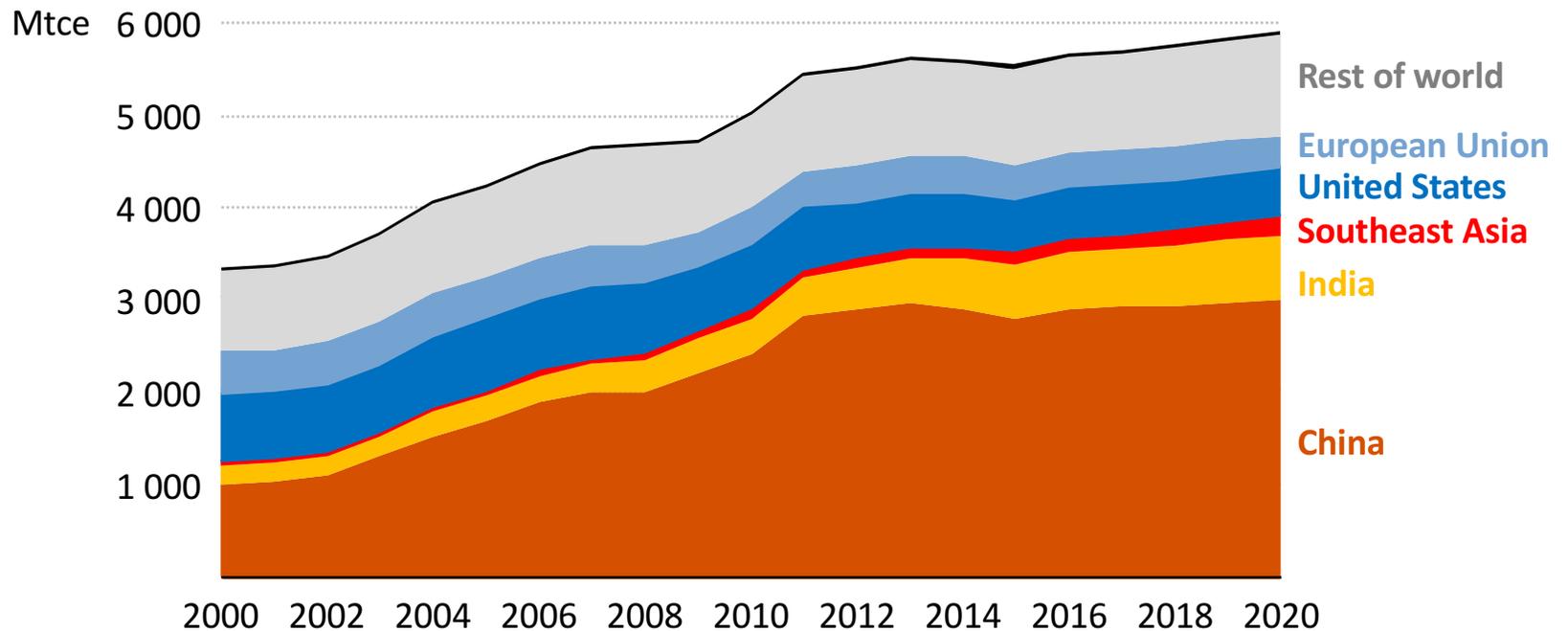
# Coal price spike. Will it last?



*After being at decade lows pushed down by oversupply and weak demand, Chinese policy changes has driven prices up recently*

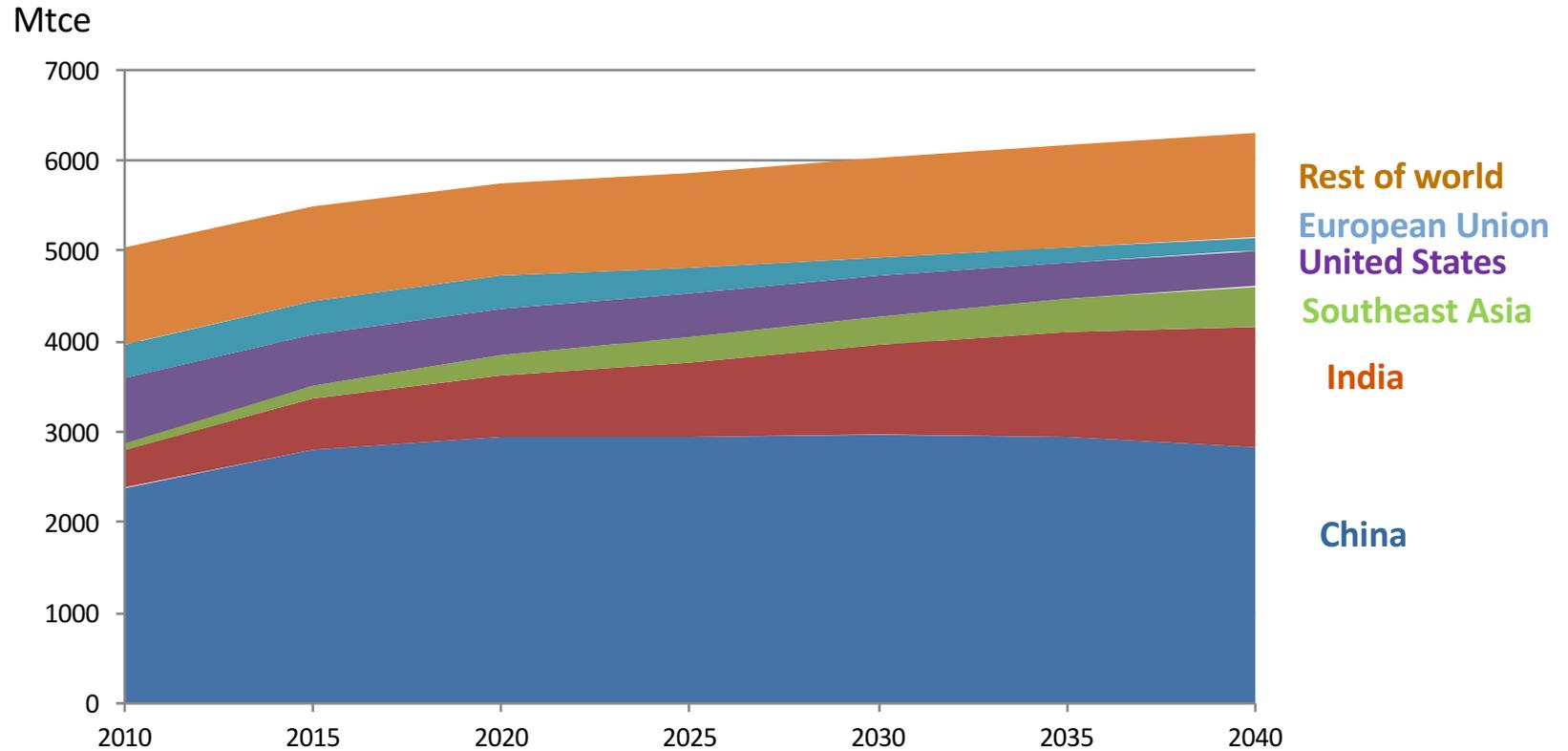
# There is no “second” China waiting to drive global coal use

Global coal demand by region (historical and forecast)



*Strong growth in coal use in India & Southeast Asia offset declines in the EU & the US, but does not match the rise seen over last decade in China*

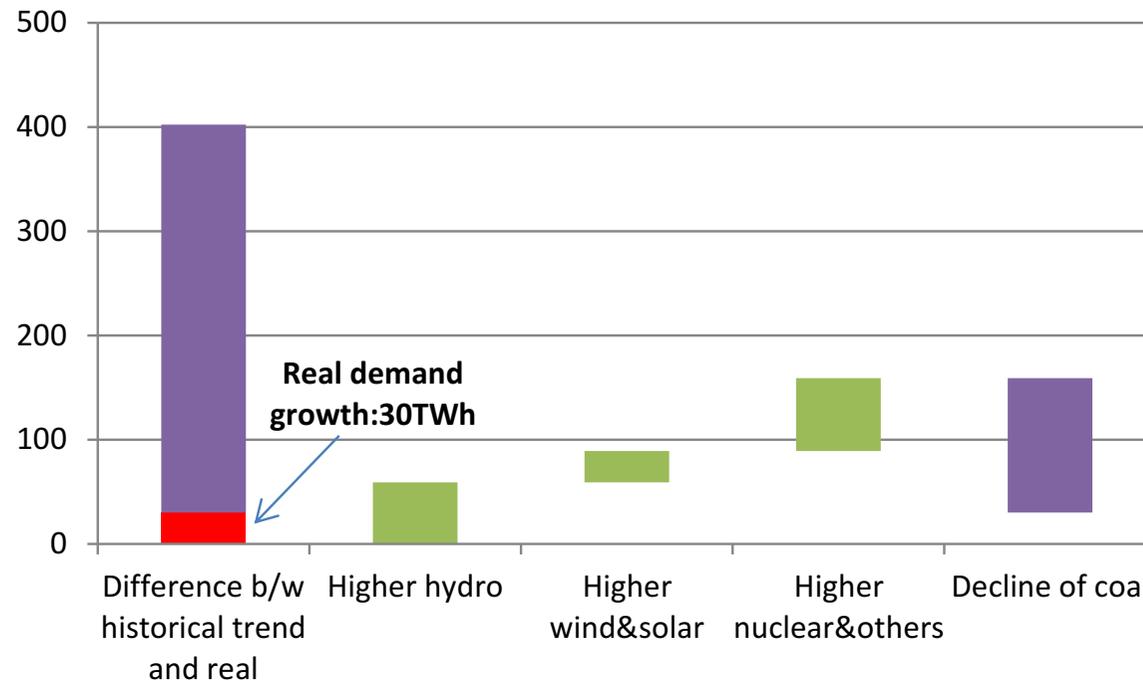
# Coal, an Asian affair?



***Coal growth slows at less than 0.5% per year on average: China, Europe and US will see a decline in coal demand in the long-term***

# Has coal use in China already peaked?

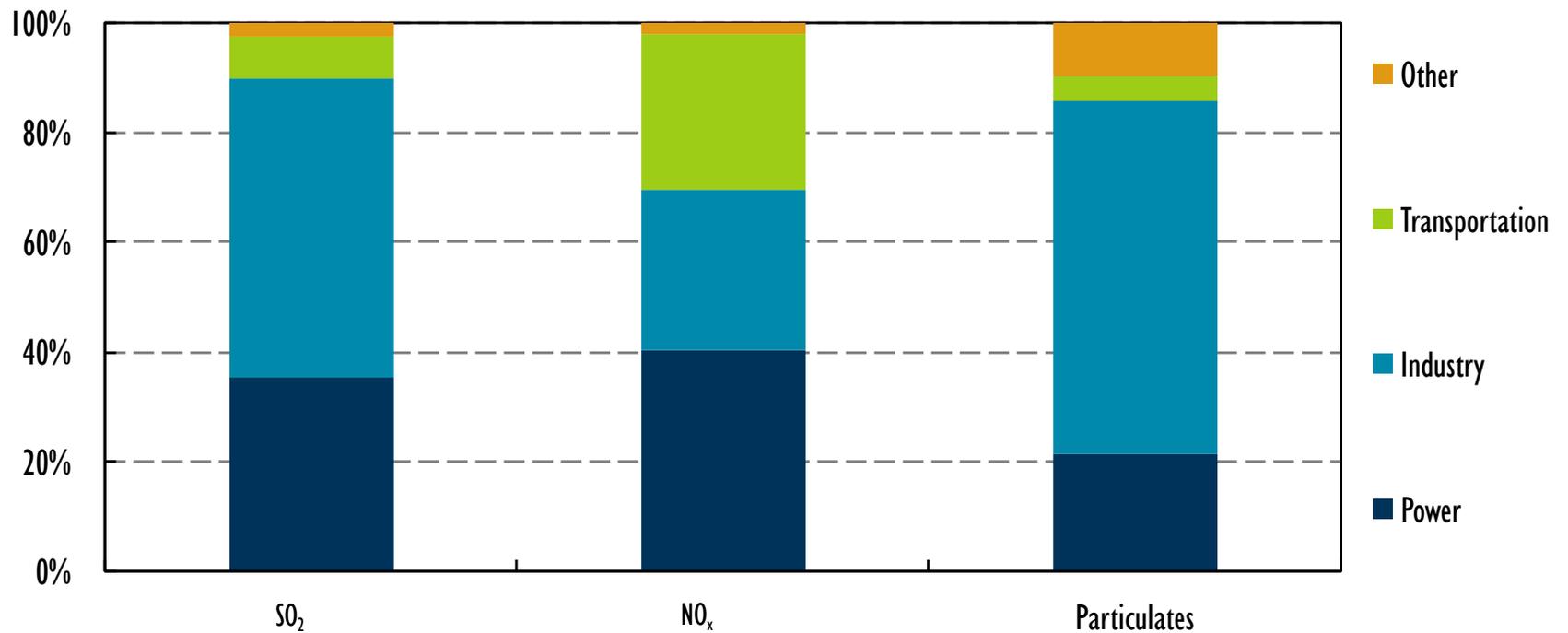
Coal-based power generation declined in 2014-15



*China's coal use may have already peaked, reflecting the gradual economic rebalancing & further growth in low-carbon sources of power*

# Responses to air pollution will shape coal's future

Breakdown of local air pollutants in China

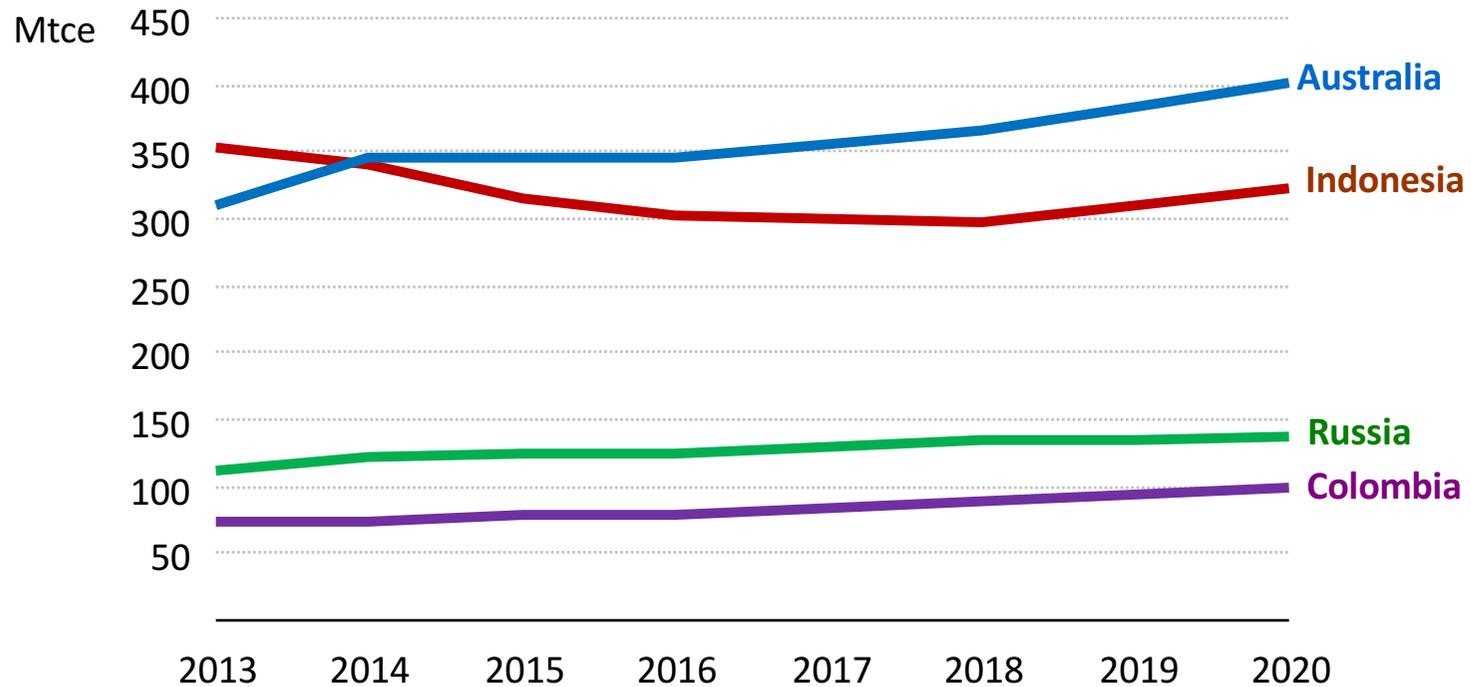


Data from 2013

*While China is taking commendable steps to tackle the problem, burning coal remains the major source of local air pollution in the country*

# Australia pushes ahead as the world's largest exporter

Coal exports from key countries



*The four largest exporters represent more than 80% of seaborne coal trade; India overtakes China to become the world's largest importer*

# Conclusions

- **Coal will remain an important part of the global energy mix through 2020, but faces big challenges:**
  - *Shifts in the policy landscape post COP-21*
  - *Rising concerns over pollution*
- **Coal demand in China might have already peaked, with major implications for global energy & climate trends**
- **India & Southeast Asia are the new drivers of global coal demand, as the fuel plays a role in their economic & social development**
- **The long-term viability of the coal industry hinges on the widespread uptake of clean technologies:**
  - *Urgent need to phase-out inefficient subcritical coal plants*
  - *Carbon capture & storage is a vital asset protection strategy*

# Thanks for your attention

Comments and questions are welcome to:

[Carlos.Fernandez@iea.org](mailto:Carlos.Fernandez@iea.org)