

APERC Coal Report 2022

The APERC Coal Report is part of the APERC fossil fuel reports series, published annually, that describes updated coal policies and highlights recent changes in coal consumption, production, trade, and prices.

This year's APERC Coal Report provides a detailed analysis of coal consumption, production, and trade for both thermal and metallurgical coal over the 2001-2021 period. A medium-term projection for coal consumption, production and trade to 2030 is also included. This report describes recent changes in coal trading flows and prices due to the global energy crisis and the Ukraine conflict.

Global coal consumption bounced back strongly in 2021, rising by 6% relative to 2020 due to the global economic recovery after the COVID-19 pandemic. Additionally, higher natural gas prices contributed to this rising trend. APEC coal consumption rebounded by approximately 5% in 2021, driven by the five largest coal-consuming economies, including China, the United States, Japan, Russia, and Indonesia, which accounted for almost 90% of APEC coal consumption.

Global coal production rose by 5.6% in 2021 to meet high coal demand after rebounding from the COVID-19 pandemic. Coal production in 2021 was even a bit higher than the record-high level in 2019 after a dramatic fall in coal production in 2020. In the APEC region, annual coal production rose by 6.1% in 2021 compared to 2020, though the rising trend was not uniform across all economies.

For coal trade, while many countries had to increase coal imports, others increased domestic coal production. Indonesia, Australia, Russia, and the United States have been major thermal coal exporters in the APEC region, accounting for approximately 98% of thermal coal exports.

In 2022, the impacts of sanctions against Russia due to the war drove thermal coal prices to surge to a record high of USD 420 per tonne on 9 March 2022, just two weeks after the start of the Russia-Ukraine conflict. An all-time high for thermal coal spot prices occurred in September 2022, reaching USD 450 per tonne, nine times higher than the price in September 2020.

With the impact of the war and high natural gas prices, the Australian coking coal spot prices surged to an unprecedented level of about USD 630 per tonne on 21 March 2022. However, coking coal spot prices declined to around USD 300 per tonne in the last quarter of 2022.

In several APEC economies where it is hard to phase out coal, coal needs to be used in a cleanest-possible manner to reduce carbon emissions while maintaining energy security. Thermal efficiency improvement, fuel switching, clean coal technology, and CCS-equipped coal power are options for reducing the emissions associated with coal usage. Technologies that reduce the carbon emissions associated with coal use could enable APEC economies to continue to use coal as they balance their energy security and decarbonisation goals in a world with high and volatile energy prices.