# Coal demand slowly burning out, except in India, SE Asia: IEA

December 18 2015

Indian miners haul baskets full of coal as they load a truck with coal at a roadside depot near Rymbai village in the Indian north-eastern state of Meghalaya on January 31, 2013

Global growth in coal demand ground to a halt last year for the first time in two decades, but India and Southeast Asian countries are keeping the dirty power burning despite calls to switch to cleaner energy, the IEA said on Friday.

The share of coal is seen dropping in the energy mix of China, as demand levels off amid slower economic growth there, the International Energy Agency said in a report.

Renewable energy sources hydro, wind and solar power may be playing an increasing role in sating global demand while coal capacity ages and shrinks, but India and the Association of Southeast Asian Nations (ASEAN) are "remaining centres of significant coal growth," the report said.

Those centres saw demand increasing by 112 million tonnes in 2014—which compares with a falloff in coal demand in the highly-developed OECD area of 47 million tonnes.

Oil rarely competes with coal, but gas, whose price is linked to oil, has emerged as an alternative to coal amid falling crude prices, and gaining market share in some countries, including the United Kingdom, the report noted.

Coal was the bedrock on which Britain's Industrial Revolution was built—but the country's last mine, at Kellingley in Yorkshire, will close on Friday ending an era for power generation.

Coal's share of power generation in Britain remains at 20.5 percent—imports will fill the gap—albeit down from 28.2 percent in 2014, according to the latest UK government data.

The new government in Poland, where 90 percent of electricity is coal-generated, said last month it will remain attached to coal even as EU partners try to phase it out owing to its role in producing carbon emissions.

Poland had earlier refused to endorse an amendment to a UN carbon-

cutting pact requiring it to cut greenhouse gas emissions.


A mine worker walks past a slag heap at the entrance to Kellingley Colliery, the last deep coal mine operating in Britain near Knottingley, northern England on December 15, 2015

## Coal's 'golden age' ends in China

Lowering its world demand forecast by over 500 million tonnes of coal-equivalent (Mtce), the IEA said that "the golden age of coal in China seems to be over".

It added that while China's share of coal in its energy output would slide from 29 percent to 27 percent by 2020, India alone would account for half of global demand growth—ASEAN states accounting for half the

remainder.

But there is scant evidence the relative Chinese falloff in coal usage will result from any commitment to cleaner energy use in the wake of the Paris conference on climate change.

Rather, the coal slide looks largely a consequence of weaker output projections for energy intensive sectors such as steel and cement.

The report added Beijing had little scope to slash coal's share "given that gas and oil power generation is very limited in China," which uses half of global coal.

It did, however, highlight China's attempts "to diversify away from coal to achieve a more energy-efficient economy and to address local pollution."

Noting increasing US gas production, the report forecast that the decline in US coal demand is inevitable to below 35 percent of energy production by 2020 as renewables and shale gas move towards centre stage.

But despite reports of its pending demise in a world looking to become progressively greener, coal in 2013 still accounted for approximately two fifths of global electricity needs. Its 29 percent share of total world energy supply made it second only to oil's 31 percent.



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