

13.c.-1. APERC Coal Report 2022 (Draft)

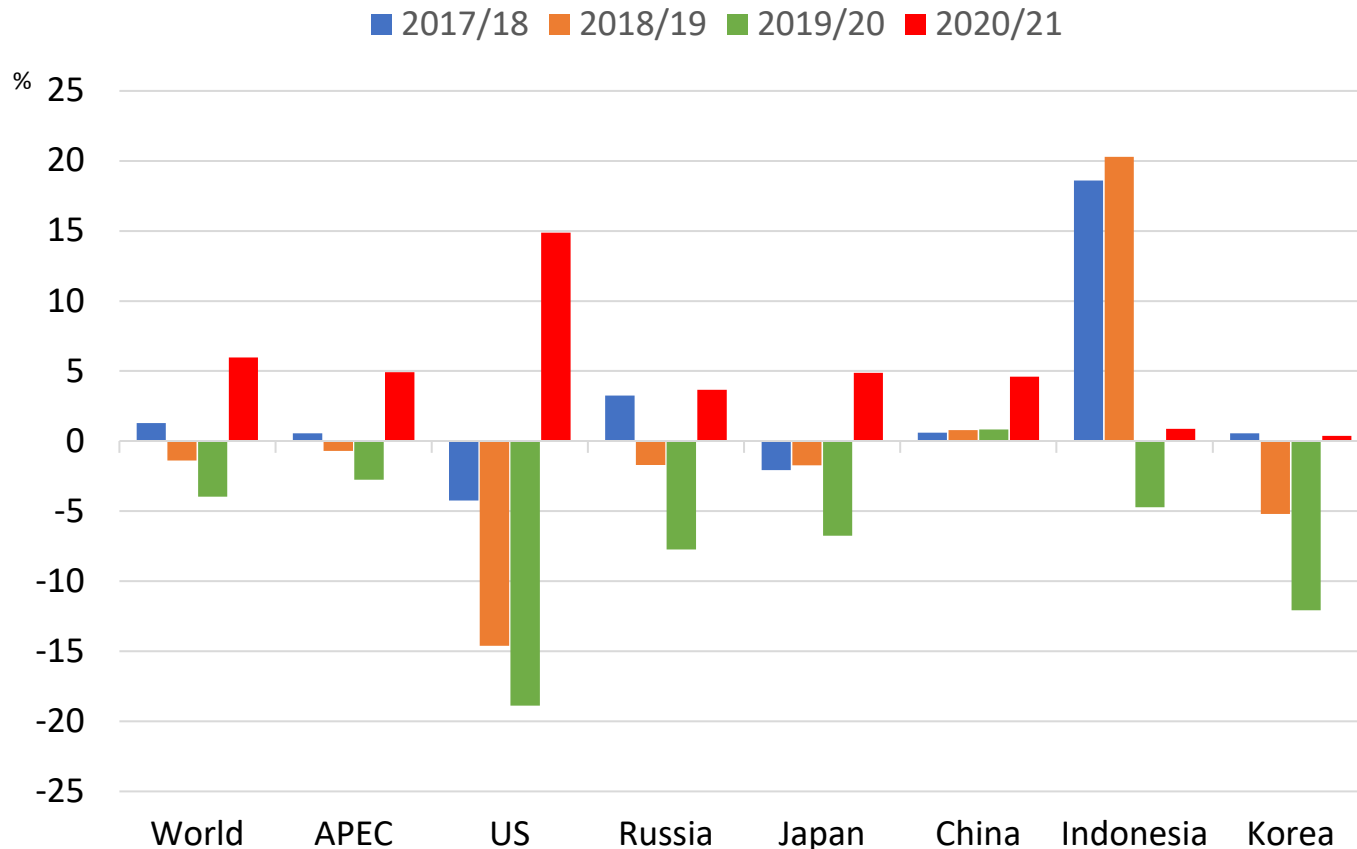
**The 64th Meeting of APEC Energy Working Group (EWG64)
31 October 2022 (GMT+8)**

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APEC and global coal use increased in 2021

Change in coal consumption in APEC regions and the world

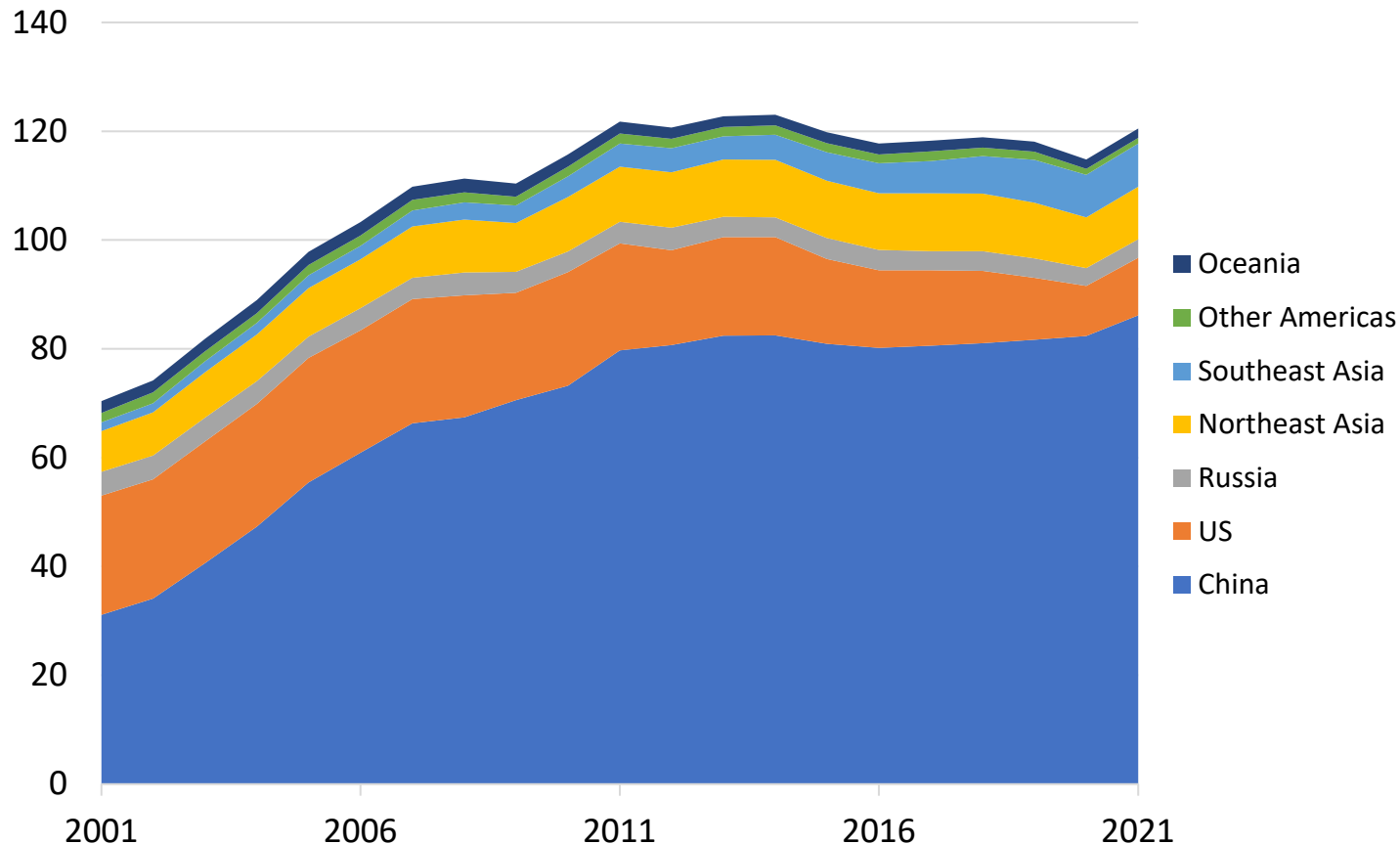


Sources: BP (2022), APERC analysis.

- Global coal consumption rebounded by 6% in 2021 in response to the global economic recovery and volatile gas prices.
- APEC coal consumption rebounded by 5% in 2021, driven by the five largest coal consumption economies.
- Coal consumption in the U.S. rose by roughly 15% in 2021, a reversal of recent trends and the largest annual increase in U.S. coal use in more than 20 years.
- China's coal consumption grew by 4.6% in 2021, Russia, Japan, Indonesia and Korea also consumed more coal than the previous year.

2021 coal use close to an all-time peak

APEC coal consumption by region, EJ

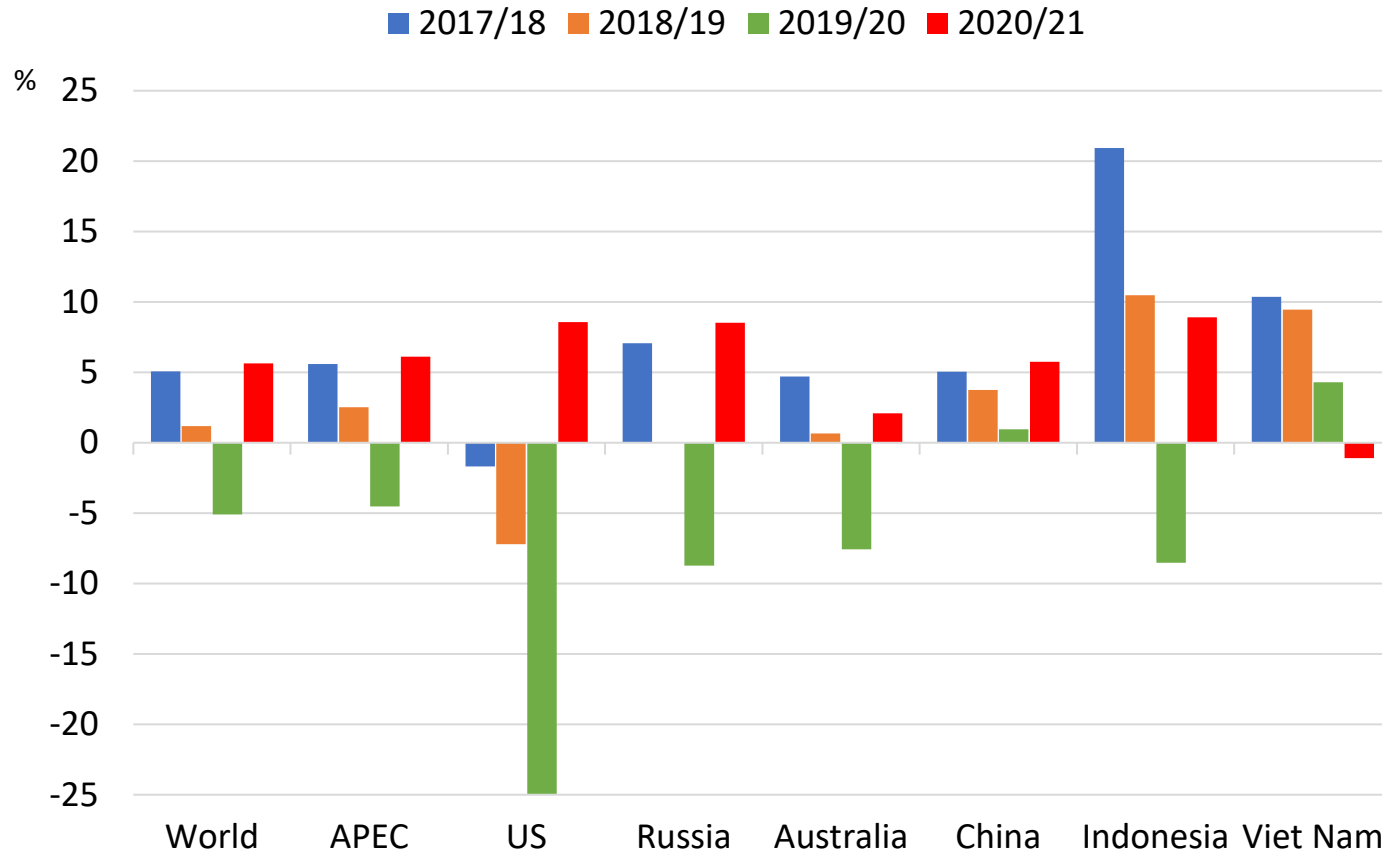


- APEC coal consumption peaked in 2014 and gradually declined through 2020, but rebounded strongly in 2021, close to the peak in 2014.
- China is the largest coal consumer, accounting for approximately 71% of the total APEC coal consumption.
- The U.S. and Russia consumed 9% and 3% of APEC's total coal consumption in 2021, respectively.
- Northeast Asia accounted for 8% of APEC coal consumption in 2021, followed by Southeast Asia, Oceania and other Americas.

Sources: BP (2022), APERC analysis.

APEC and global coal production grew in 2021

Change in coal production in the globe and APEC region

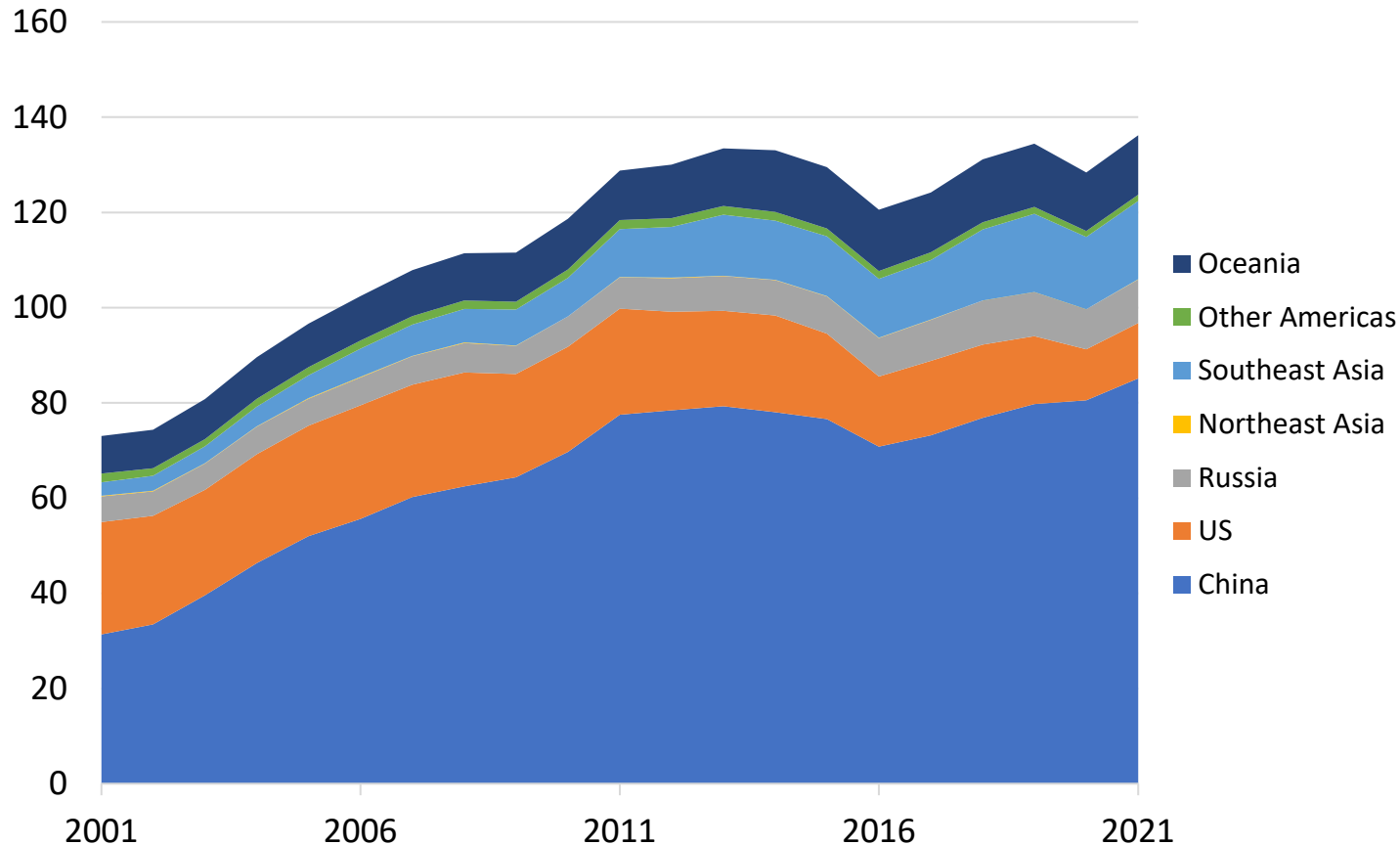


- Global and APEC coal production rose by 5.6% and 6.1% in 2021, respectively.
- Significant increases in coal production were recorded in Indonesia, the U.S., Russia, China, and Australia in 2021.

Sources: BP (2022), APERC analysis.

Coal production reached an all-time high record in 2021

APEC coal production by region, EJ

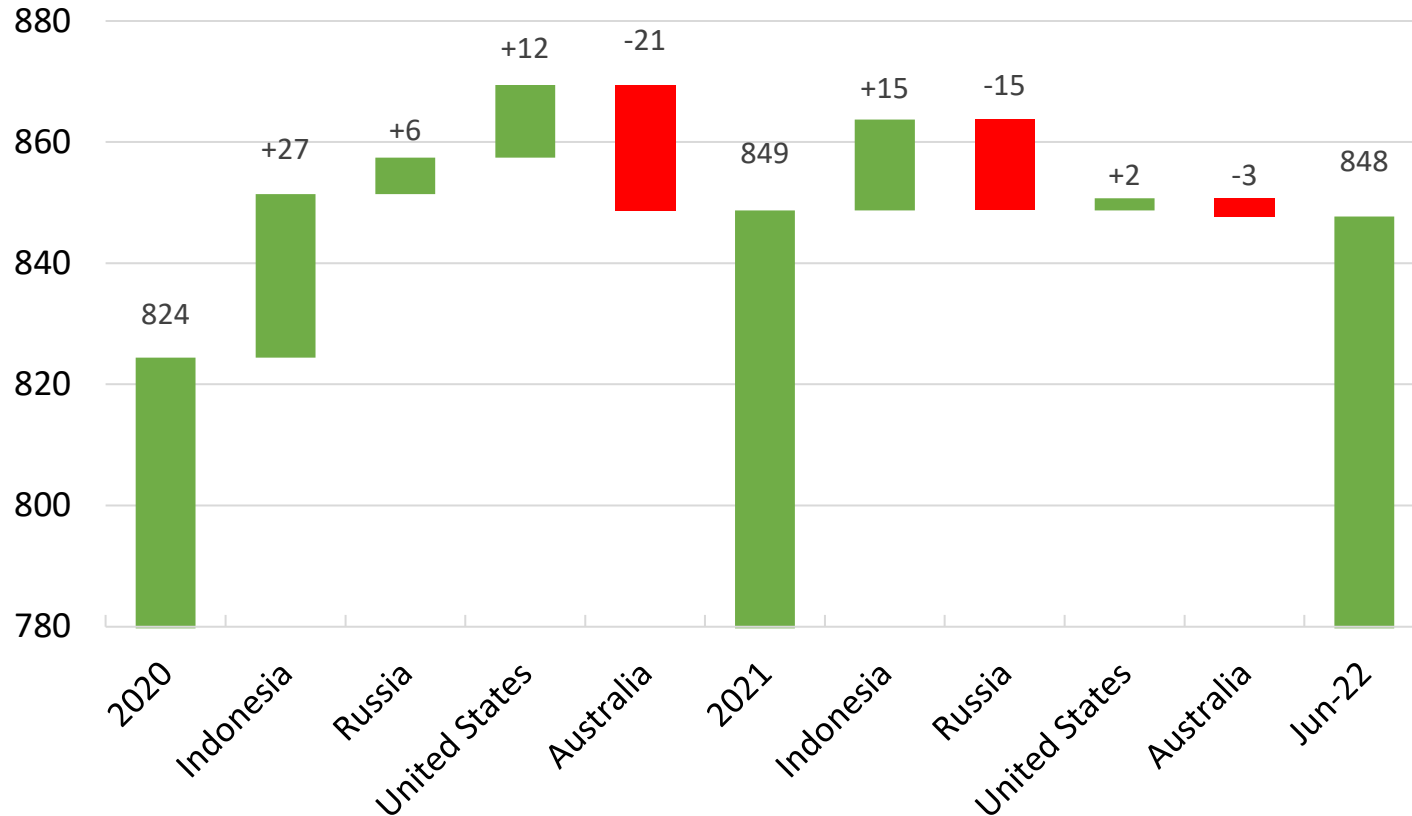


- APEC coal production has increased for decades despite the drops in 2015 and 2016, reaching an all-time high record in 2021.
- In 2021, China produced 63% of APEC coal production, followed by Southeast Asia (12.5%), and Oceania (9.2%). The U.S. and Russia accounted for 8.5% and 6.7%, respectively.
- China, Indonesia, Australia, the U.S. and Russia are major coal producers in APEC, accounting for 98% of APEC coal production in 2021.

Sources: BP (2022), APERC analysis.

Thermal coal exports were unchanged in the first half of 2022

Change in thermal coal exports at major APEC coal exporters, Mt

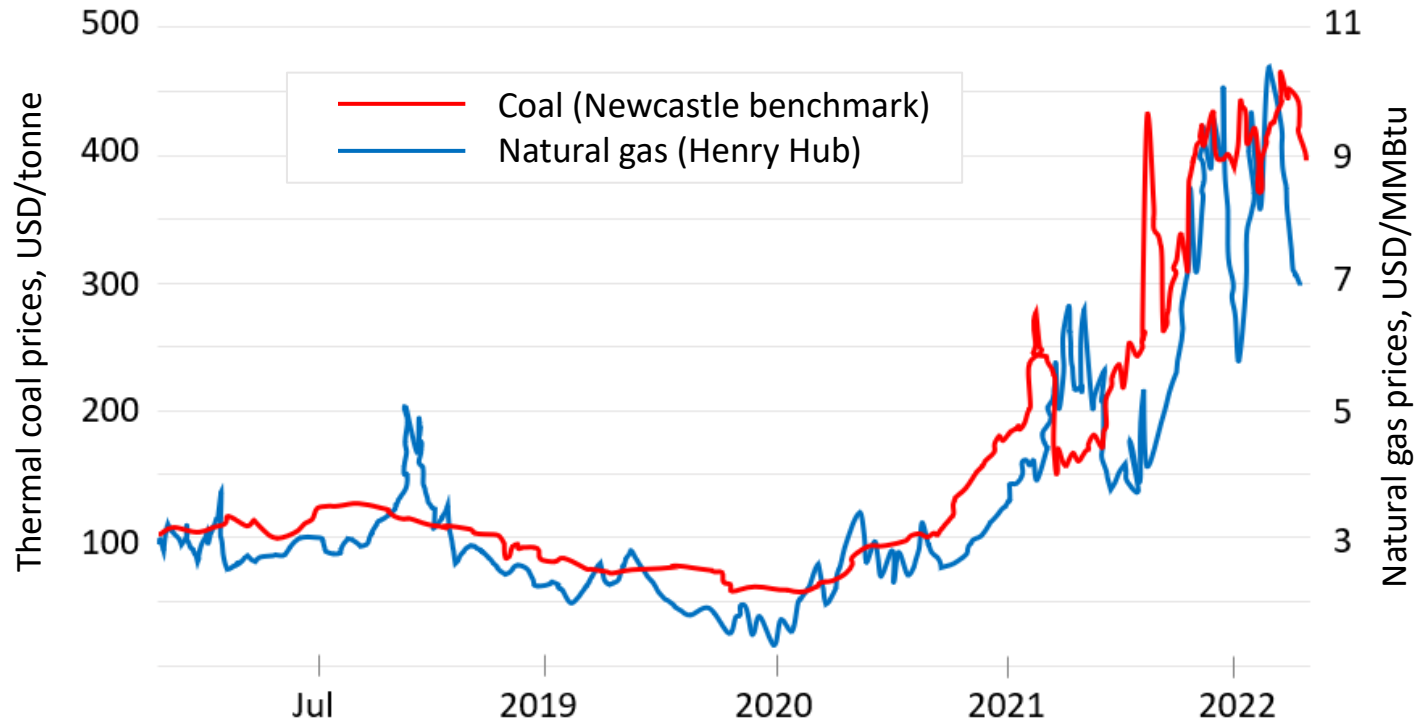


Sources: IEA (2022a, 2022b), APERC analysis.

- Indonesia, Australia, Russia, and the U.S. are major thermal coal exporters in APEC, accounting for approximately 98% of APEC thermal coal exports.
- While thermal coal exports rose in Indonesia, Russia and the U.S. in 2021, thermal coal exports from Australia dropped as China decreased coal imports from that economy.
- Russia's coal exports showed the biggest drop in the first half of 2022 due to international sanctions and Russian coal import bans from Western countries.

Thermal coal prices reached an all-time high in September 2022

Thermal coal and natural gas spot prices, 2018-2022.



Sources: Trading Economics.

- In October 2021, thermal spot coal prices rose over five-fold relative to July 2020 level due to coal supply disruptions.
- Thermal coal prices spiked to a new all-time peak in September 2022 due to the impact of sanctions against Russia on coal.
- Natural gas prices substantially impact coal prices due to gas-coal competition in the power sector.

Thank you.

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