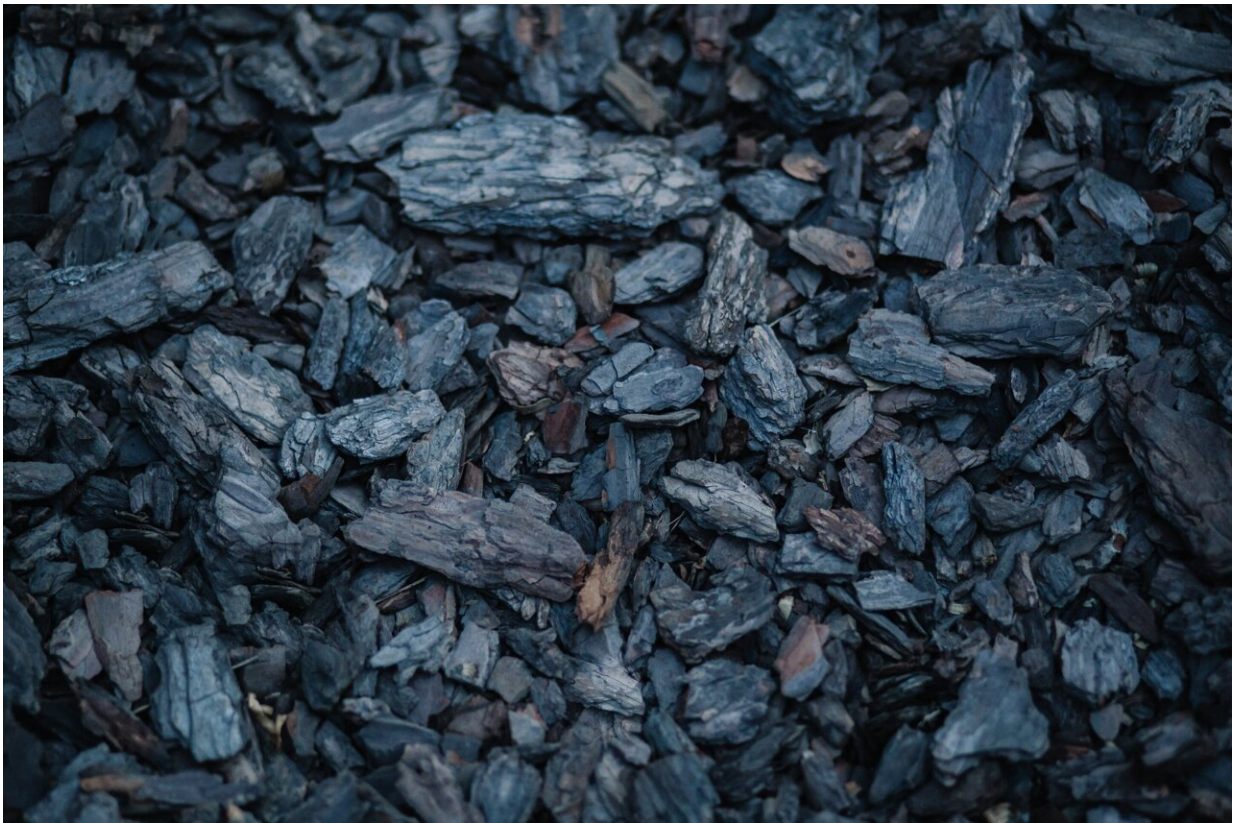


New modelling shows China's demand for coal imports will dramatically drop by 2025

April 20 2022



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China's demand for coal imports, including from Australia, will drop significantly by 2025, according to new modeling led by researchers at The Australian National University (ANU).

The researchers examined China's plans for decarbonisation as well as investment in domestic railroads in order to reduce dependence on seaborne coal imports and increase the country's [energy security](#).

Their purpose-built model shows China's thermal imports could fall by at least 26 per cent, from 210 megaton to 155 megaton per year, between 2019 and 2025. If China follows through on ambitious climate policies, thermal coal imports could fall as low as 115 megaton per year in 2025—a decline of 45 per cent.

Lead author of the study Dr. Jorrit Gosens said the modeling shows major coal exporters like Australia would feel the biggest losses from the changes.

"Our findings are clear; Beijing's plans for rapid decarbonisation and energy security signal the end for Australia's current coal export boon," Dr. Gosens said.

"And this isn't going to happen far off into the future; it is imminent. Our modeling predicts Chinese demand for Australian thermal coal will fall to between 30 and 40 megaton in 2025, down from about 50 megaton in 2019.

"When it comes to coking coal imports, Australia is the country that stands to lose the most. Australia's coking coal exports to China are expected to fall to between 20 and 22 megaton, down from close to 30 megaton in 2019."

According to the researchers, in normal years around a quarter of both Australia's thermal and coking coal exports are destined for China. Dr. Gosens warns Australian businesses and [political leaders](#) can't rely on an increase in demand for Australian coal, even if the recent ban on imports is lifted.

"Our results mostly show that China's investments in coal transport infrastructure have greatly reduced the cost for China to cut imports, whether to impose punitive trade embargoes or to prop up domestic mining sector demand and employment," Dr. Gosens said.

"Even if Australia were to reconcile its current political differences with China, it should expect Chinese demand for its coal to be well below pre-conflict levels and to keep falling from that level.

"Any Chinese reduction in demand matters, even if the Chinese embargo on coal imports from Australia remains in place. Such reductions would free up the current suppliers to China to find new customers in the global seaborne market, where they would push out Australian suppliers.

"China has been investing heavily in coal transport infrastructure for many years, precisely to reduce dependency on foreign energy. The recent turmoil in global energy markets will only strengthen Beijing's resolve to decrease its dependency on them."

Study co-author Professor Frank Jotzo said the changes would have long-lasting impacts on the Australian economy as well as political debates about [climate change](#).

"Our findings illustrate how energy security concerns, a fracturing global security and trade landscape, combined with [climate action](#) are putting the squeeze on [coal](#)—not in the distant future but imminently," Professor Jotzo said.

"Governments and investors would be wise to consider these findings in their medium to long-term outlook, more than the short-term gains from the current energy market volatility.

"Our findings should be of high concern to the [coal industry](#) and to

Australian governments. Coal will be on the way down. We need to foster alternative economic futures. Australia's resource and energy industries have every opportunity to prosper in a low-emissions world."

More information: Jorrit Gosens, China's decarbonization and energy security plans will reduce seaborne coal imports: results from an installation level model, *Joule* (2022). DOI: [10.1016/j.joule.2022.03.008](https://doi.org/10.1016/j.joule.2022.03.008). [www.cell.com/joule/fulltext/S2542-4351\(22\)00135-0](https://www.cell.com/joule/fulltext/S2542-4351(22)00135-0)

Provided by Australian National University

Citation: New modelling shows China's demand for coal imports will dramatically drop by 2025 (2022, April 20) retrieved 9 April 2024 from <https://techxplore.com/news/2022-04-china-demand-coal-imports.html>

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