

# Annual Coke Market Survey

## *A Research Proposal by Resource-Net*

### **Introduction**

**The next update of the “Coke Market Survey” will be available in November 2022.** As well as updated market data and price forecasts, this report will include detailed information on the coke and coking coal industries. The report will be approximately 250 pages in length.

Since it was first produced in 2003, the “*Coke Market Survey*” has been of value to the following types of company:

- Producers & traders of coke & metallurgical coal;
- Consumers of coke in the metallurgical and other industries;
- Equipment & technology suppliers to the coking industry;
- Financial institutions with an interest in coke and coking coal.

### **Market Situation – Key Discussion Points**

1. Russia’s invasion of Ukraine created some anxiety about availability due to the introduction of sanctions by the European Union and other economies. By the middle of the year, these fears had abated, though Russian coke and coking coal is likely to remain blocked from the European markets while the conflict is ongoing. Much of coke and metallurgical coal from Russia is low grade in nature, however, so the impact on the market may not be significant. It is also worth noting that Ukraine has exported minor volumes of coke in recent years.
2. China continues to play a key role on the world coke market, with exports rebounding in the last few years. After falling to 3.5m tonnes in 2020, its coke exports recovered to 6.4m tonnes last year and may reach 7.5-8.0m tonnes in 2022. Chinese imports reached 3.0m tonnes in 2020, before falling to 1.3m tonnes last year; and this year they will down again. The central government’s long-term drive to reduce coke production appears to have faltered, with the volume rising again after 2018.
3. Investment in coke capacity is being discouraged because of price uncertainty, environmental issues and falling demand. In Europe and elsewhere, capacity closures have occurred and more can be expected. We therefore expect coke shortages to emerge in the future, although this year we expect recession to emerge and, therefore, reduced demand.
4. Likewise, expansion to existing coal capacity is becoming unacceptable in many parts of the world. This is leading to a greater likelihood that high-quality coking coal will also become scarce in the future. Pricing for coking coal clearly has a major impact on that for coke.
5. At the 2021 climate-change conference, known as “COP26”, most countries committed to “net zero” carbon emissions by 2050. Steelmaking is said to be responsible for 8% of the world’s carbon emissions. Some plants have already set dates for the phase-out of coke-based steelmaking, primarily in Europe. Hydrogen-based steel processes are being proposed as the way forward, but these are in the early phase of development and may never become commercially viable - in our opinion. It is worth noting that pig iron production in 2021 reached an all-time high of 1.33bn tonnes, so coke’s role in steelmaking is a long way from disappearing. In some Asian economies, investment in integrated steel plants continues, justified by their trade deficits in steel products.

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## Outline Coverage

The “Coke Market Survey” will include the following:

### Metallurgical Coke Supply

- Effective capacity data by major coke plant, plus comments on status and future developments;
- Historical coke production data by country 2012-21, estimates for 2022;
- Coke capacity forecast by country to 2032;
- Expansions and upgrades to coke-making capacity, permanent battery shutdowns in the past three years;
- Coke export availability, historical and forecast – China, Colombia, Japan, Poland, Russia, other exporters, plus export data;
- Discussion of Chinese coke production & policies, impact on its export potential.

### Demand for Metallurgical Coke

- Historical coke consumption (all grades combined) by country 2012-2021, estimates for 2022;
- Forecast coke demand by country to 2032, developed by statistical modelling techniques;
- Potential for replacement of coke in steelmaking with alternatives (hydrogen etc);
- Demand outlook for coke users in the foundry and submerged-arc furnace sectors.

### Metallurgical Coal Markets

- Export volumes from major suppliers i.e. Australia, Canada, Russia, United States;
- Current supply developments for metallurgical coal;
- Estimated coking coal production by country - historical development and future availability;
- Demand outlook for coking coal;
- Pricing methodologies by region;
- Historical pricing for coking coal, plus forecast of the development.

### Price Analysis & Forecasts

- Price forecasts for blast furnace coke and coking coal to 2032;
- Balance of likely coke import demand versus potential export capacity (five years ahead);
- Comparison of future coke demand versus available capacity (6-10 years ahead);
- Analysis of long-term coke and coking coal price development.

The report’s coverage is similar to that of recent years. **But we remain open to ideas on how it might be enhanced.**

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## Methodology

We source information for the “*Coke Market Survey*” primarily by communications with participants in the market, i.e. consumers, traders and producers in all parts of the world.

Other sources of information will include:

- Statistical data on production and demand from industry associations and producers;
- Conference papers and company information;
- Trade data on coke and metallurgical coal.

## Costs, Conditions & Timing

The “*Coke Market Survey*” will be completed by the end of November 2022. The completed document will be sent along with key data in “Excel”. Companies subscribing are required to restrict access to the research to their own personnel, as according to Resource-Net’s standard conditions of supply.

At €3500 or US\$4000 for all customers, the subscription cost for this report remains on a moderate level. Companies wishing to subscribe should confirm by contacting Resource-Net via email without delay! Full payment will be required before the report is dispatched.

## Background

Andrew Jones has more than thirty years' experience of analysing the global commodities sector as well as an extensive knowledge of the steelmaking and non-ferrous metals industries. Prior to establishing “Resource-Net” in 1999, he worked in commodities research and equity analysis in several countries.

He has an Honours Degree in Metallurgy from the University of Sheffield (UK) and an MSc in Multinational Commerce from Boston University.

Any questions or expressions of interest in this proposal should be addressed to [andrew@resource-net.com](mailto:andrew@resource-net.com).

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