

Annual Coke Market Survey

A Research Proposal by Resource-Net

Introduction

The next update of the “Coke Market Survey” will be available in November 2024. As well as updated market data and price forecasts, this report will include detailed information on the coke and coking coal industries. The report is 200 plus 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 metallurgical coke & 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. China continues to play a key role on the world coke market, with exports rebounding in the last few years. Its coke exports have recovered to almost 9m tonnes in each of the last two years, and this year they will be close to 10m tonnes. The government’s long-term drive to reduce coke production appears to have faltered, with the volume remaining on a high level.
2. In the last two years, with Chinese investment significant exported-oriented coke capacity has been added in Indonesia, targeted at the export market. The intention apparently was to access Australian coal, embargoed from the Chinese market. In 2024 alone more than 7m tpy was added.
3. In general, investment in coke capacity is being discouraged because of market 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 within a few years.
4. Likewise, expansion to existing coal mine capacity is becoming unacceptable in many parts of the world. Finance from traditional sources is becoming impossible to obtain. 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. Russia’s invasion of Ukraine in 2022 created anxiety about availability due to the introduction of sanctions by the European Union and other economies. These fears swiftly abated, though Russian coke and coking coal are likely to remain blocked from the European and other markets for years to come.
6. Most countries have 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 set dates for the phase-out of coke-based steelmaking, these primarily being in Europe. Hydrogen-based steel processes are being proposed as the way forward, but these may never become commercially viable. It is worth noting that pig iron production has remained stubbornly high, exceeding 1.3bn tonnes in the last four years; 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 2014-23, estimates for 2024;
- Coke capacity forecast by country to 2034;
- Expansions and upgrades to coke-making capacity, permanent battery shutdowns in the past three years;
- Coke export availability, historical and forecast – China, Colombia, Indonesia, Japan, Poland, Russia, other suppliers, 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 2014-2023, estimates for 2024;
- Forecast coke demand by country to 2034, developed by statistical modelling techniques;
- Potential for replacement of coke in steelmaking with alternatives (hydrogen etc);
- Time-line of proposed phase-out of blast furnace based steelmaking by site in Europe and some other regions;
- 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 2034;
- 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 2024. 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 €3600 or US\$3900 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.

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