

## Section 2 – Solid Fuels and Derived Gases

### Key results show:

#### Provisional 2018

Overall coal production in 2018 was 2.6 million tonnes, the lowest on record, and down 15 per cent compared to 2017, partly due to one of the large surface mines not producing since April 2017 (it is under 'care and maintenance'), along with lower demand for electricity generation. Deep-mined output was up but accounts for one per cent of production. **(Chart 2.1)**

Coal imports at 9.9 million tonnes were 17 per cent higher compared to 2017. **(Chart 2.1)**

The demand for coal by electricity generators in 2018 was 6.7 million tonnes (a new record low). This was 24 per cent below the demand in 2017. Demand for coal-fired electricity generation continued to decline as production favoured gas, nuclear and renewables over coal. Additionally, generation capacity which had fallen in recent years continued to fall with Eggborough power station closing in September 2018. **(Chart 2.3)**

Total stocks at the end of 2018 were 5.2 million tonnes, which remains steady when compared with 2017. **(Chart 2.4)**

#### Quarter 4 2018

In the fourth quarter of 2018, overall production was down 20 per cent compared to the fourth quarter of 2017 due to the further contraction of surface mined coal. Deep mined coal remains only a small component of coal production as only a few small deep mines are still operational. **(Chart 2.1)**

Coal imports were up 19 per cent on the levels in quarter 4 2017. **(Chart 2.1)**

The demand for coal by electricity generators in the fourth quarter of 2018 was 40 per cent lower than demand in the fourth quarter of 2017. The decline was due to the rise in renewables reducing the need for coal-fired generation, the closure of Eggborough power station in September 2018 and milder weather in November and December 2018. **(Chart 2.3)**

### Relevant tables

[2.1: Supply and consumption of coal](#)

[2.2: Supply and consumption of coke oven coke, coke breeze and other manufactured solid fuels](#)

[2.3: Supply and consumption of coke oven gas, blast furnace gas, benzole and tars](#)

Contact for further information:

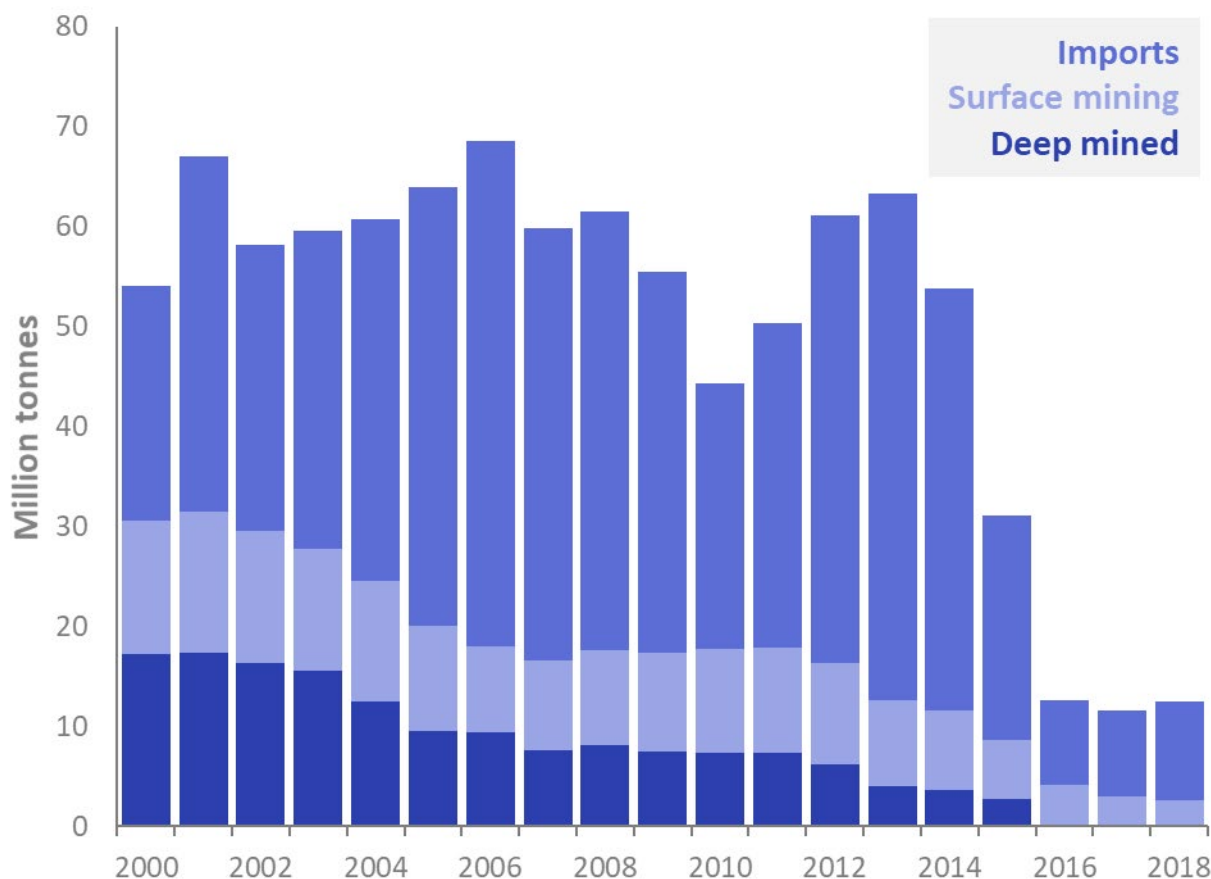
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**Chart 2.1 Coal supply** [\(Table 2.1\)](#)



Provisional figures for 2018 show that coal production was 15 per cent down on 2017 at 2.6 million tonnes (a record low), partially due to one of the large surface mines not producing since April 2017 (it is under 'care and maintenance'), along with lower demand for electricity generation. Deep-mined output was up although this is less than one per cent of production. Coal use has declined since the early seventies as new fuels have entered the market. In the last ten years UK coal production has fallen by 86 per cent.

Provisional figures for the fourth quarter of 2018 show that coal production fell to 0.1 million tonnes, down 20 per cent on the fourth quarter of 2017. This is a result of mine closures and the prevailing economic trends in the UK's coal industry, which has made imports of coal cheaper than domestic production.

Imports of coal in 2018 rose 17 per cent compared to 2017, a larger than usual increase and reflective of a lower drawdown in stocks during the year.

The decrease in demand reflects the fact that consumption by electricity generators was down by 24 per cent to 6.7 million tonnes (a new record) in 2018.

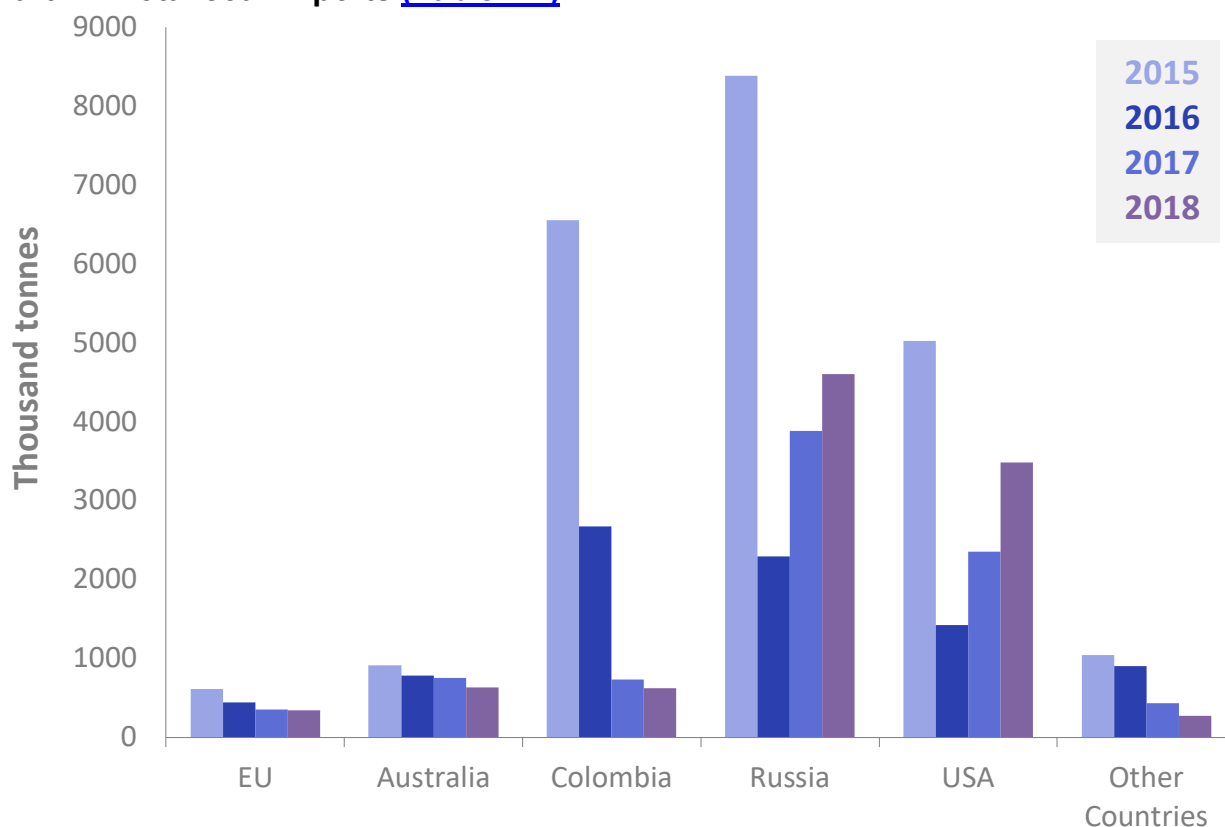
**Table 2A Coal imports by origin**

	<b>Thousand Tonnes</b>			
	<b>2017</b>	<b>2018p</b>	<b>2017 Q4</b>	<b>2018 Q4p</b>
European Union	356	344	94	114
Russia	3,883	4,598	1,092	1,299
Colombia	731	626	428	257
USA	2,352	3,478	598	1,219
Australia	749	630	241	84
Other Countries	427	268	89	39
<b>Total Imports</b>	<b>8,498</b>	<b>9,944</b>	<b>2,542</b>	<b>3,013</b>

Coal imports of 9.9 million tonnes in 2018 were up 17 per cent compared to 2017, largely as a result of imports partially replacing the draw-down from stock seen in 2017. Steam coal imports rose by 30 per cent to 7.4 million tonnes, while coking coal imports fell 10.2 per cent to 2.4 million tonnes. Steam coal accounted for 74 per cent of total coal imports in 2018 and coking coal accounted for 24 per cent of coal imports.

In the fourth quarter of 2018, total coal imports increased by 19 per cent to 3.0 million tonnes. Russia (43 per cent) and the USA (40 per cent) accounted for 83 per cent of total coal imports. Steam coal imports in the fourth quarter of 2018 rose by 28 per cent to 2.5 million tonnes and accounted for 84 per cent of total coal imports. Coking coal imports in the fourth quarter of 2017 fell by 18 per cent to 0.4 million tonnes and accounted for 15 per cent of total coal imports.

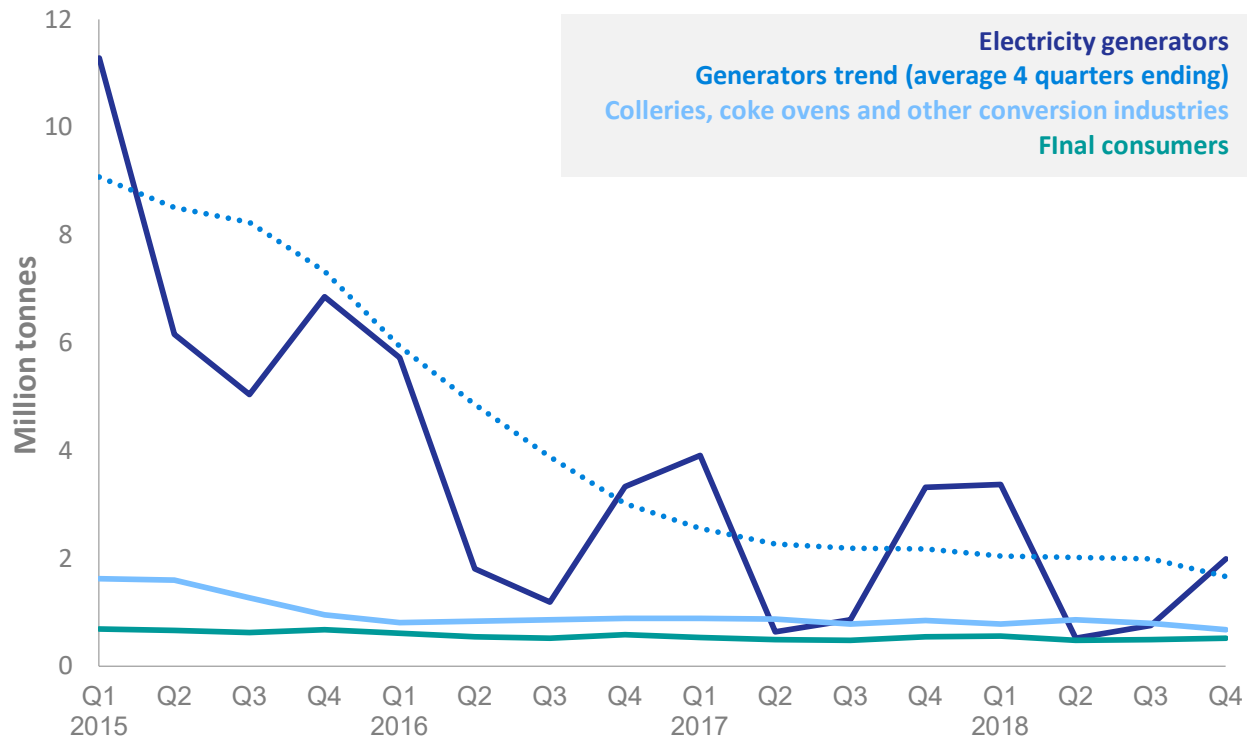
**Chart 2.2 Total coal imports** [\(Table 2.4\)](#)



In 2018, 7.4 million tonnes of the coal imported (74 per cent) was steam coal, largely for the power stations market. Russia (49 per cent) and the USA (37 per cent) in 2018 represented 86 per cent of steam coal imports.

Steam coal imports from the USA were 87 per cent higher in 2018 than in 2017, increasing to 2.7 million tonnes. There was also an increase of steam coal imports from Russia of 26 per cent to 3.7 million tonnes. Steam coal imports from Colombia fell by 14 per cent to 626 thousand tonnes.

In the fourth quarter of 2018 all but 3 per cent of UK steam coal imports came from just three countries: Russia (45 per cent), the USA (42 per cent) and Colombia (10 per cent). Steam coal imports from Russia rose 13 per cent to 1.1 million tonnes in the fourth quarter of 2018. Steam coal imports from the USA more than doubled in fourth quarter of 2018 compared to the same period in 2017. Steam coal imports from Colombia fell by 40 per cent to 257 thousand tonnes in the fourth quarter of 2018.

**Chart 2.3 Coal consumption (Table 2.1)**

Total demand for coal in 2018 was 11.8 million tonnes, 17 per cent lower than in 2017, with consumption by electricity generators down by 24 per cent to a new record low of 6.7 million tonnes. Demand for coal-fired electricity generation continued to decline as production favoured gas, nuclear and renewables over coal. Additionally, generation capacity which had fallen in recent years continued to fall with Eggborough power station closing in September 2018. Electricity generators accounted for 56 per cent of total coal use in 2018 compared with 62 per cent in 2017.

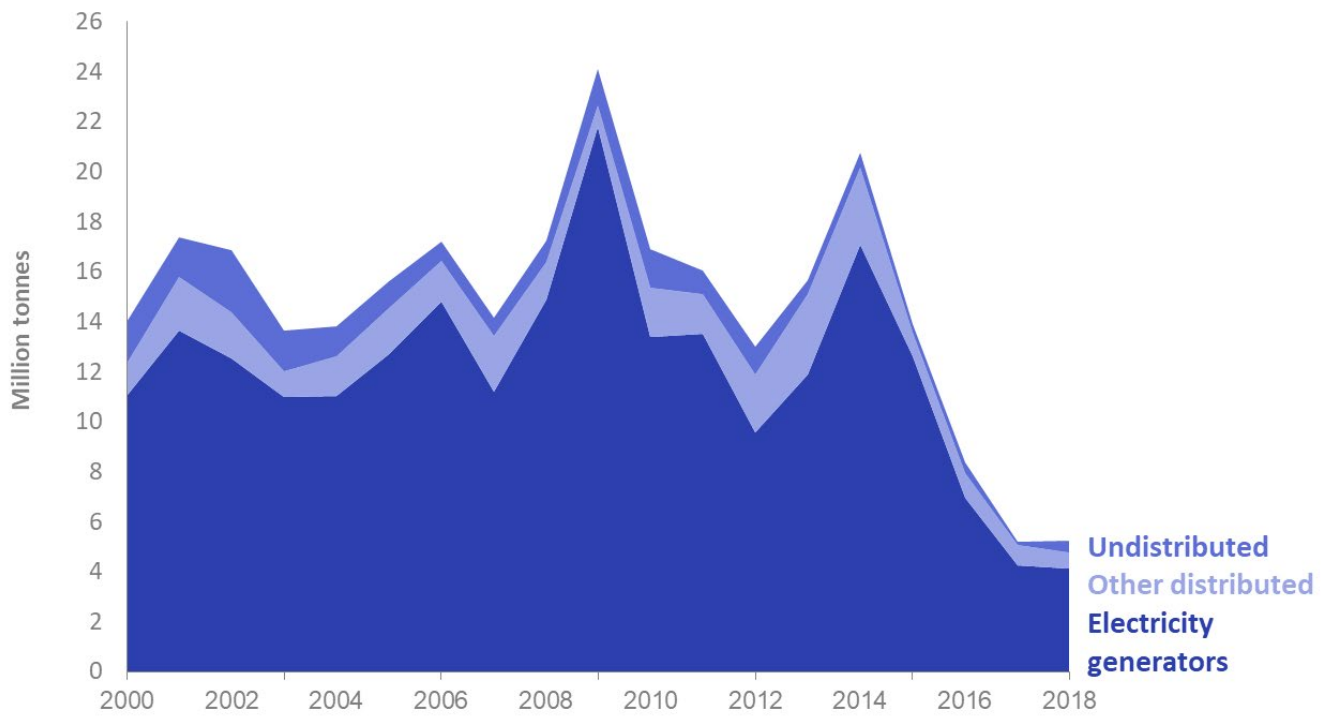
Coal used for coke manufacture fell 6.4 per cent to 1.8 million tonnes, while coal used in blast furnaces fell 11.2 per cent to 1.2 million tonnes.

Total demand for coal in the fourth quarter of 2018, at 3.2 million tonnes, was 32 per cent lower than in the fourth quarter of 2017. Consumption by electricity generators fell by 40 per cent to 2.0 million tonnes as renewables rose reducing the need for coal-fired generation. The closure of Eggborough power station in September 2018 and milder weather in November and December 2018 also contributed to lower coal-fired generation. Coal accounted for just 9.9 per cent of the total electricity supplied by Major Power Producers in the fourth quarter of 2018. Electricity generators accounted for 62 per cent of total coal use in the fourth quarter of 2018; compared to 70 per cent in 2017.

Sales to final consumers (as measured by disposals to final consumers) rose by 0.1 per cent in 2018. Sales to industrial users rose by 0.1 per cent to 1.5 million tonnes, with domestic sales remaining constant at 0.5 million tonnes. Sales to final consumers were down by 5.8 per cent in the fourth quarter of 2018 with decreases in most industrial sales, domestic users, and other final users.

Coal used in blast furnaces was 0.2 million tonnes in the fourth quarter of 2018, a decrease of 31 per cent compared to the fourth quarter of 2017.

**Chart 2.4 Coal stocks** [\(Table 2.1\)](#)



Coal stocks were stable through 2018, with total stocks of 5.2 million tonnes at the end of 2018 virtually identical to stocks at the end of 2017. Of these stocks, the bulk - 4.1 million tonnes - were held at power stations, down 2.8 per cent on the stocks held at the end of 2017.

Stocks held by producers (undistributed stocks) increased during the fourth quarter of 2018 to 0.4 million tonnes and were 0.3 million tonnes higher than at the end of December 2017.