Key results show:

Overall coal production in the first quarter of 2020 fell to a new record low of 434 thousand tonnes, down 27 per cent compared with the first quarter of 2019. Surface mining production fell to 399 thousand tonnes due to falling demand for coal for electricity generation and mine closures. (Chart 2.1)

Coal imports fell 56 per cent on levels shown in the first quarter of 2020 to a new record low. (Charts 2.1 and 2.2)

The demand for coal by electricity generators in the first quarter of 2020 was 9.6 per cent higher than demand in the first quarter of 2019 as the Fiddlers Ferry power station burnt remaining stocks before closing on 31 March 2020. The rise in coal generation is a temporary deviation from the declining trend as a result of coal plants closing and gas generation being more economically favourable compared to coal generation. (Chart 2.3)

Total stock levels were down 29 per cent to 4.1 million tonnes compared to a year earlier. (Chart 2.4)

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
2.4: Coal imports

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Coal production in the first quarter of 2020 was 0.4 million tonnes, 27 per cent down compared to the first quarter of 2019. The decrease came from the contraction in surface mine output.

Although output from deep mines has increased since the Aberpergwm colliery came back into operation in September 2018, it is only 7.9 per cent of total production (and a small fraction of previous production, with March’s output at 6.8 per cent of the value in December 2015, the month that the last large deep mine closed). Only seven small deep mines remain.

The falls were due to decreased demand, particularly for electricity generation, but also because some mines are working towards closure whilst other mines are under ‘care and maintenance’ and ‘not producing currently’.
Imports of coal in the first quarter of 2020 were 56 per cent lower than in the first quarter of 2019 at 1.1 million tonnes, a new record low. Net imports accounted for 36 per cent of supply in the first quarter of 2020.

Russia (36 per cent), the USA (27 per cent) and Australia (14 per cent) accounted for 77 per cent of total coal imports in the first quarter of 2020. Steam coal imports in the first quarter of 2020 fell by 69 per cent to 0.6 million tonnes. Steam coal imports accounted for half of total coal imports. Coking coal imports in the first quarter of 2020 fell by 22 per cent to 0.6 million tonnes and accounted for 49 per cent of total coal imports, with small volumes of anthracite comprising the remainder.

Table 2A Coal imports by origin

<table>
<thead>
<tr>
<th></th>
<th>Thousand Tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>European Union</td>
<td>344</td>
</tr>
<tr>
<td>Russia</td>
<td>4,695</td>
</tr>
<tr>
<td>Colombia</td>
<td>635</td>
</tr>
<tr>
<td>USA</td>
<td>3,573</td>
</tr>
<tr>
<td>Australia</td>
<td>630</td>
</tr>
<tr>
<td>Other Countries</td>
<td>268</td>
</tr>
<tr>
<td><strong>Total Imports</strong></td>
<td><strong>10,144</strong></td>
</tr>
</tbody>
</table>
Total demand for coal in the first quarter of 2020, at 2.6 million tonnes, was 2.5 per cent higher than in the first quarter of 2019 mainly due to a spike in electricity use.

Electricity generators accounted for 53 per cent of total coal use in the first quarter of 2020. Electricity generation rose 9.6 per cent to 1.4 million tonnes during this period as a result of higher coal-fired electricity generation as Fiddlers Ferry burnt its remaining stocks before it closed on 31 March 2020. The rise in coal generation is a temporary deviation from the declining trend. In the rolling four quarters from Q2 2019 to Q1 2020 coal generation fell 33 per cent compared to the four quarters ending Q1 2019. This was a result of coal plants closing and gas generation being more economically favourable compared to coal generation because of lower gas prices and higher carbon pricing.

In the first quarter of 2020, the provisional data shows that sales to industrial users fell by 8.4 per cent to 0.3 million tonnes whilst sales to other final consumers (including domestic) decreased by 1.6 per cent to 0.2 million tonnes. Coal used in blast furnaces was up 4.9 per cent compared to the first quarter of 2019, to 0.3 million tonnes.
Coal stocks fell seasonally by 1.2 million tonnes during the first quarter of 2020 and at the end of March stood at 4.1 million tonnes. This was 1.7 million tonnes lower than at the end of March 2019.

The level of coal stocks at power stations at the end of the first quarter of 2020 was 2.4 million tonnes, 2.1 million tonnes lower than at the end of March 2019.

Stocks held by coke ovens were 0.5 million tonnes at the end of the first quarter of 2020, this was 40 thousand tonnes lower than stock levels at the end of March 2019.

Stocks held by producers (undistributed stocks) at the end of the first quarter of 2020 were 1.2 million tonnes, 0.5 million tonnes higher than at the end of March 2019.