



# IMPORT COAL & PETCOKE FOR VIETNAM CEMENT INDUSTRY

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# COAL INTRODUCTION

- **Type of coal**

- Lignite
- Sub – Bituminous
- Bituminous
- Anthracite

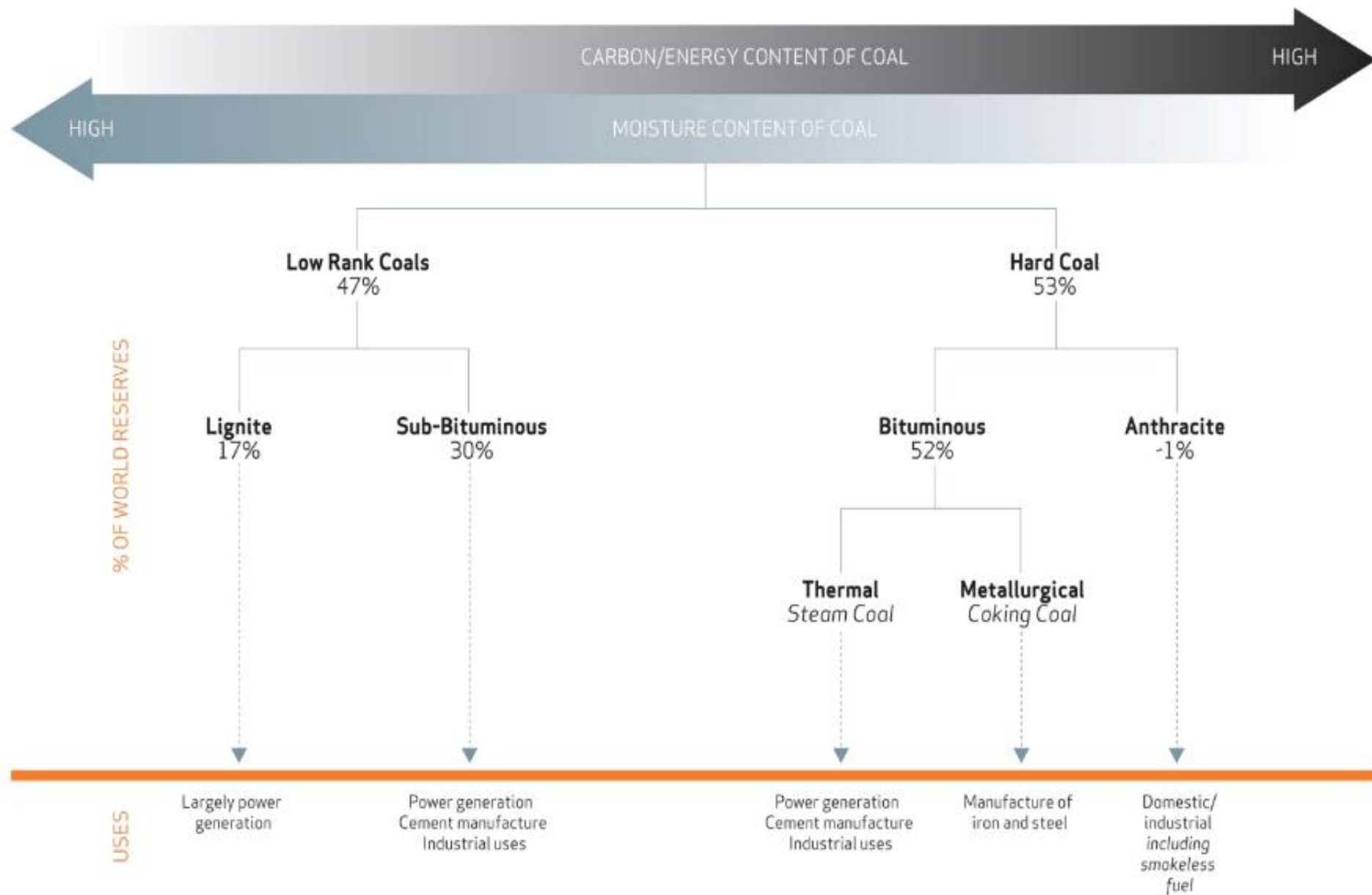


Higher  
heating  
value

- **Global Coal Flow**

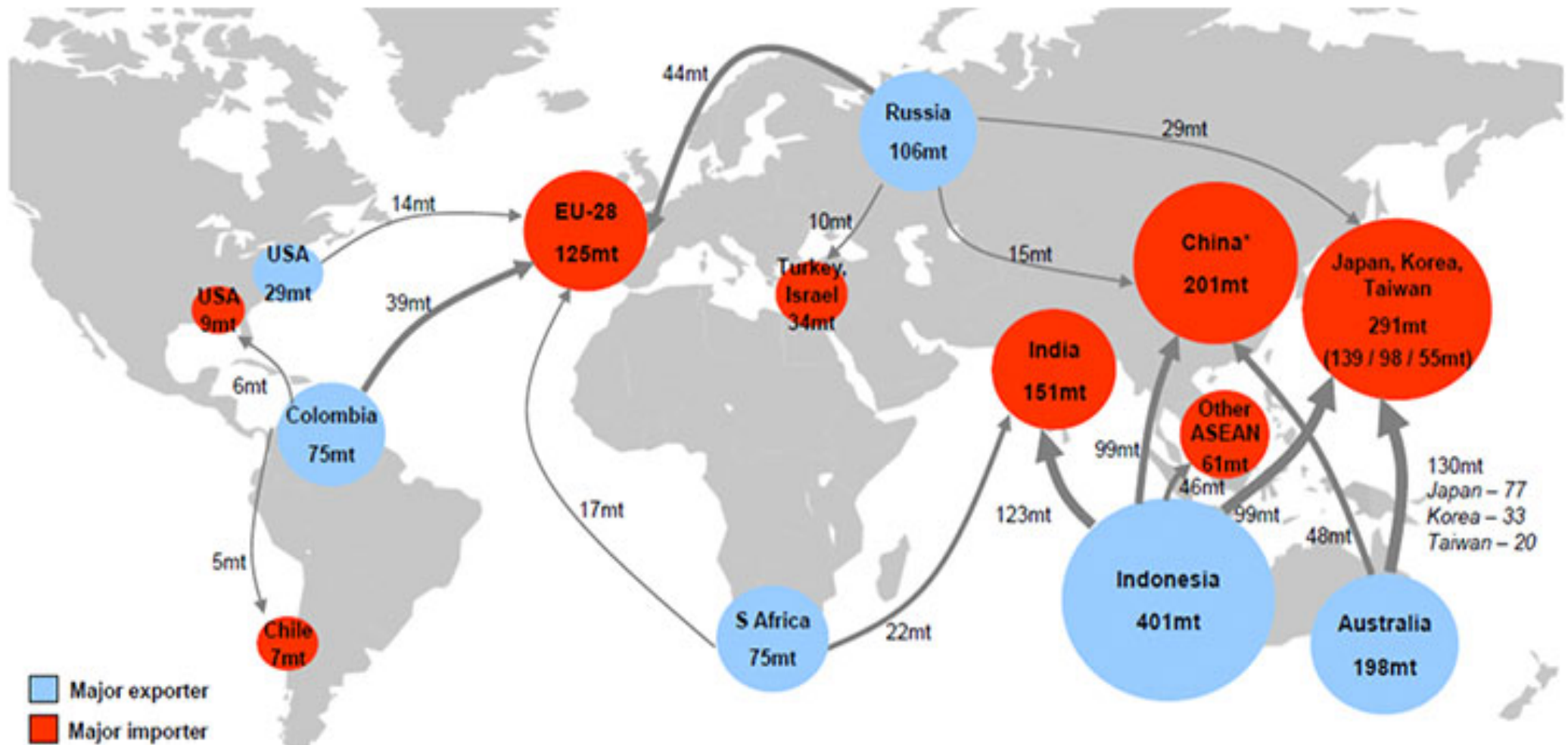
- **Major Countries Importing and Exporting Steam Coal**
- **Major Countries Importing and Exporting Anthracite Coal**
- **Anthracite Coal Reserves**
- **Vietnam Domestic coal VS Import coal options**

# TYPES OF COAL



# GLOBAL COAL FLOW

- Steam Coal accounts for over 800 million MT of seaborne bulk commodity trade.



# Major Importing and Exporting Countries of Steam Coal



Top Importing countries in million MT

Country	Year 2015
China	292
India	239
Japan	188
South Korea	131
Taipei	67
Germany	57

Top exporting countries in million MT

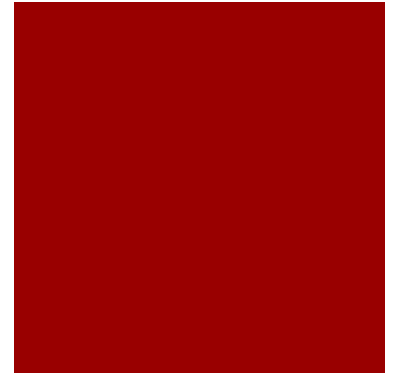
Country	Year 2015
Australia	492.3
Indonesia	368.4
Russia	155.1
Columbia	82.0
South Africa	77.3

Vietnam imported 3.55 million mt of coal in Q1 2014, up 255% year on year -- mainly from Russia (1.244 million mt from 85,851 mt a year earlier), Australia (1.126 million mt, four times higher than 308,191 mt); and China (684,806 mt, 10 times higher than 68,750 mt over January-March last year).

# Anthracite Coal Reserves

COUNTRY	REMAINING ESTIMATED RECOVERABLE RESOURCES AS OF END OF 2007 (MT)	NOMINAL PRODUCTION RATE (Mtpy)	REMAINING RESOURCE LIFE (Years)
China	6,080	275.0	22
Russia	6,870	9.0	763
Ukraine	5,790	20.0	290
Vietnam	2,260	40.0	57
North Korea	1,530	22.5	68
South Africa	710	2.5	284
South Korea	240	2.8	86
Spain	200	3.5	57
United States	60	1.6	38
Poland	63	0.25	253

# Anthracite Coal

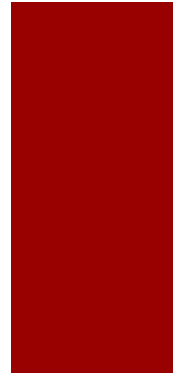


- Major Exporters

1. Russia
2. Vietnam
3. China
4. Ukraine
5. South Africa

- Major Importers

1. China
2. South Korea
3. Japan
4. Belgium
5. Ukraine



# ANTRACITE VS STEAM COAL

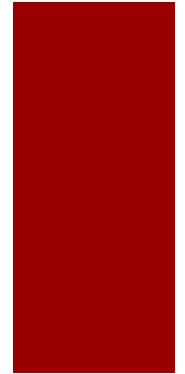
## **Anthracite Coal**

- Limited reserve
- Increasing cost of production causing higher priced coal
- Higher carbon content
- Low VM

## **Steam Coal**

- Many sources
- Variety of specifications
- Lower ranked coal is cheaper





# WHAT VIETNAM HAS AND WHAT IT NEEDS FROM INDUSTRY PERSPECTIVE

## **What Vietnam has**

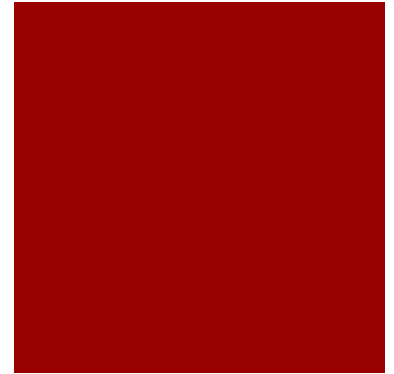
- Has higher value anthracite which is higher quality and higher priced.
- Has industry which can use lower quality coal to lower its cost.

## **What Vietnam needs**

- Lower quality lower priced coal to improve industry competitiveness.
- Better connection by sea to make imports more cheaper and capitalize on overseas cheap abundance coal.

# IMPORT COAL OPTINS

- Similar to domestic anthracite
- SUB-BITUMINOUS AND BITUMINOUS COALS
  - Low VM
  - Mid VM
  - High VM
- Lower rank coals for blending to lower costs

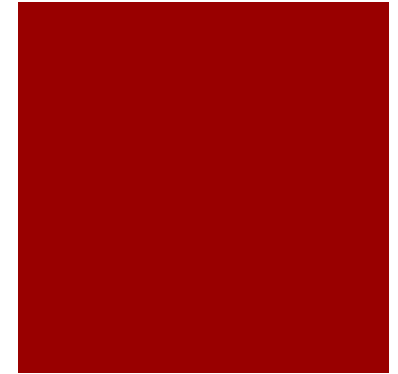


# PETROLUM COKE (PETCOKE)



- What is Petcoke ?
  - Byproduct left after the cracking of crude oil in the oil refineries. The byproduct is further processed in coker to make usable petcoke.
- High Sulphur Petcoke is being consumed by cement companies globally because of its high CV and inability of other industries to use high sulphur fuel.
- Petcoke is mainly produced on exportable scale in USA and in Saudi Arabia.

# SSG – ENERGY DESK



- Started in 2012 with focus on supplying coal to cement industry.
- Focused on our praters in Thailand, Vietnam, Hong Kong, Bangladesh and UAE markets.
- An experienced coal team, with over 15 years of industry expertise.
- Control over shipping and sourcing, providing a reliable service.

# INTERNATIONAL MARKET OUTLOOK



- There is a shift with developed countries focusing on alternative fuels to reduce coal usage. While developing countries focusing on more coal-fired power as a cheap energy source.
- Coal has been standardized in the developed countries in the form of indices, prices are moving dynamically day-to-day.
- There has been an overall market decline over the past few years, however 2016 has seen some stability during Q1. and a sharp increase since middle of the year till now in prices and tightness in supply.
- The import markets of China, India still drive the market prices direction but vietnam has caught the attention of the coal world and coal imports will see a rapid increase y-o-y.

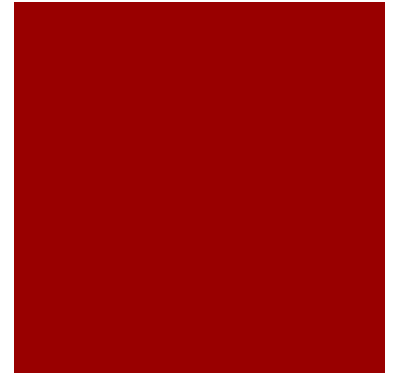
# VIETNAM COAL OUTLOOK



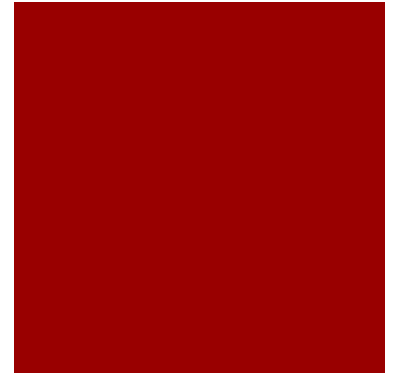
- Vietnam has increasing demand from power sector
  - Coal consumption by the power sector is expected to rise to 64.1 million MT or 72% of Vietnams total coal requirement by 2020.
- With priority to power plants Cement industry need to look at imports as a diversification to balance supply.

# CONCLUSIONS

- Cement factories should consider balancing their energy mix through imported coal and petcoke.
- Vietnam will follow the same path as followed by other developing countries like India, whose coal imports surged from a mere 12 million mt in early 2000 to now 160 million mt in 2016.
- Cement industry is hugely driven by prices of input raw materials and has to be globally competitive so imported cheaper coal is not an option but a necessity.



# THANK YOU



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