

# COMMODORE RESEARCH

## Chinese Coal Import Strength Continues

As we have been discussing in our research this year, China's central government has been working to limit the public announcement of coal mine accidents and deaths. However, in what has become a rare news event, Chinese media outlets did report on an accident last week that resulted in the deaths of 13 coal workers at a mine in Guizhou province. Last year saw China's media report on a great deal more coal mine accidents and deaths -- but many accidents have still continued to occur this year. They are just not being publicly reported on nearly as often as seen in previous years.

As with last year, the accidents this year have continued to often be followed by localized coal mining stoppages, investigations, and forced mine closures. Collectively, these developments have largely been responsible for this year's contraction in domestic coal production. Overall, it has remained helpful for the global coal market and dry bulk shipping market that coal mine accidents, work stoppages, investigations, and forced mine closures have continued to hinder a ramp up in China's coal production. Going forward, we remain of the view that China's coal production growth will again come in at a lower level this year than demand growth, which remains supportive to coal import prospects. So far this year, this is playing out as anticipated. Through the first seven months of this year, China's coal imports have increased year-on-year by 21.7 million tons (14%).

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