

Low Growth in China's Coal-Derived Electricity Production

China's electricity production in January/February totaled 1.098 billion kilowatt hours, which marks year-on-year growth of only 5%. This marks the lowest growth seen since September (and, in fact, there were only two months in 2018 where electricity production grew by 5% or less). The slowdown in electricity production growth is certainly not a positive development, but it remains to be seen if this trend will continue. Remaining of significance to us is that electricity production was extremely resilient last year -- even despite the overall slowdown in China's economy. Electricity production grew year-on-year by 7.5% in 2018. In comparison, it grew by 6.5% in 2017.

While only contributing to a small fraction of China's total electricity, of note is that nuclear power production has continued to achieve the highest level of growth. Nuclear power production in January/February totaled 48.4 billion kilowatt hours, which marks year-on-year growth of 23%. Also experiencing strong growth recently has been solar power production. Solar power production in January/February totaled 14.7 billion kilowatt hours, which marks year-on-year growth of 12%. Among the renewables achieving only moderate growth has been hydropower production. Hydropower production in January/February totaled 135.2 billion kilowatt hours, which marks year-on-year growth of 6%. Experiencing the smallest growth among the renewables has been wind power production. Wind power production during January/February totaled 57.2 billion kilowatt hours, which marks year-on-year growth of only 1%.

Also significant is that China's thermal coal-derived electricity production during January/February totaled 842.7 billion kilowatt hours. This marks year-on-year growth of only 4% and marks the lowest growth in thermal

coal-derived electricity production seen since October (also of note is that during all of 2018, there were only two months where China's thermal coal-derived electricity production grew by 4% or less). So far this year, thermal coal-derived electricity production growth is coming in at a level much lower than the 7% growth that was seen during all of 2018. That 7% growth was impressive and marked a moderate increase from the 5% growth seen during 2017.

Jeffrey Landsberg | Managing Director
[Commodore Research & Consultancy](#)

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