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Night Shifts Could Be Eliminated at Chinese Coal Mines

Huang Yuzhi, the director of China's National Coal Mine Safety Administration, announced earlier this month that the administration is working on implementing several changes in China's coal industry including increasing automation, reducing manual labor, and eliminating night shifts. The prospect of night shifts being eliminated is reminiscent of the government shifting to a 276 work day schedule in 2016 (that led to a large drop in coal production that year and a subsequent return to a 330 work day schedule in 2017). While no exact dates for these changes has been released, there is a chance that eliminating night shifts would put pressure on coal production. This is seemingly at odds with the central government's desire to raise coal production and cap imports. Overall, the current arrangement at coal mines is that there are 3 eight-hour shifts. According to Huang, the eight-hour night shifts will be gradually eliminated, but this of course remains to be seen. So far in 2019, coal production has grown year-on-year by 1%, with March most recently experiencing year-on-year growth of 3%. We do not expect the government will allow coal production to decline this year considering they want to cap imports. We will be continuing to monitor these issues very closely.

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