

Now, Russia emerges as top supplier of pulverised coal

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Russia has emerged as the top supplier of pulverised coal to Indian steel mills, displacing Australia as the key supply nation.

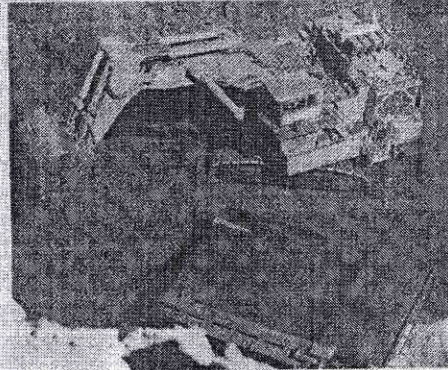
From September, barring January, Russian suppliers continued to ship large amounts to India, as sanctions closed down key European markets and Indian mills explored cheaper alternatives to costly Australian coking coal and PCI supplies.

In the September 2022 to February 2023 period, Russia exported 3.6 million tonnes (mt) of PCI to India, 20 per cent more than Australian supplies of 3 mt for the month.

Indian steel mills opted for supplies from Russia for blending purposes given the relatively lower spot prices of the commodity from the country.

Pulverised coal is an important auxiliary fuel used in the blast furnace.

Pulverised coal injection is a process that involves injecting large



GOLDEN OPPORTUNITY. From September, Russia started shipping large amounts to India, as sanctions shut European markets and India explored cheaper alternatives

volumes of fine coal particles into the blast furnace. It provides auxiliary fuel for partial coke replacement.

INCREASE SINCE SEPTEMBER

In February 2023, Russian PCI shipments into India stood at 7.55 mt, 31 per cent more than Australian 5.8 mt; while in December, Russian exports were 7.6 mt, 125 per cent higher than Australian shipment of

3.4 mt. In November, there was a similar trend with Russian supply being 30 per cent-odd higher (6 mt vs 4.7 mt); in October (6.7 mt versus 6.3 mt) and September (7.1 mt vs 5.6 mt), supplies coming in from Russia were 6 per cent and 25 per cent higher than Australian shipments respectively, data from India's Ministry of Commerce and S&P Global Commodity Insights show.

For the April 2022-February 2023 period, pulverized coal imported to India from Russia was just 0.6 mt lower than Australia.

Imports from Russia was 4.7 mt, against 5.3 mt from Australia.

However, Russia and Singapore together supplied 5.6 mt of PCI, higher than Australia.

According to Keith Tan, Associate Regional Director, Asia Metals Pricing, S&P Global Commodity Insights, the Russian PCI adds to the options that Indian steelmakers have other

than Australian coals. "Having a more limited pool of potential buyers, it is often also sold at competitive prices, and so stands to give users an advantage in terms of lowering costs," he said.

Data show Russian PCI supplies increased 124 per cent y-o-y for 11 months of FY23 to 4.7 mt, from 2.1 mt for 11 months of FY22.

On the other hand, supplies from Singapore increased 200 per cent y-o-y to 0.6 mt for April - February period.

Against this, supplies from Australia dipped 32 per cent y-o-y to 5.3 mt.