

Steel mills to step up coking coal imports from nations other than Australia

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Steel mills have increased sourcing of “cheaper” coking coal from countries other than Australia, the largest supplier. While Russia emerged as one of the key sourcing nations with supplies for April-December period increasing by 133 per cent year-on-year, the Indonesian supplies were the highest for the period under review trebling to 2.21 million tonne (mt) compared to 0.7 mt in the same period last year.

Russia incidentally is among the top coking coal suppliers, on par with Mozambique at 1.91 mt, while Indonesia moved up three spots — from No. 6 to No. 3 — overtaking Canada in the process.

The US continues to be the second largest supplier of coking coal at 5.95 mt for the April to December period, and shipments from that country went up by 157 per cent over the comparative period last year.

DECLINE IN SHIPMENTS

Australia, on the other hand, saw a 15 per cent decline in shipments to India, at 26.95 mt. Shipments from Australia in the year-ago-period were at 31.86 mt, reports collated across trade and from different Ministries like Steel, Commerce and Ports and Shipping show.

India, the second largest steel producer globally, incidentally is also the highest importer of coking coal, a key raw material for crude steel-making.

Traditionally Australia, the US, Canada and Mozambique have been key suppliers to India. While Russia and Indonesia figured among the top 10, they have not been seen on par with the big four, until calendar year 2022.

According to some steel millers, more-than-expected rainfall and flooding in Australia affected coal mining and transportation activities. This apart, sanctions on Russia imposed by Europe resulted in the latter buying more coal from alternative sources like Australia. These two factors led to the Australian coal prices remaining high for most of the year.

“So looking for alternative sources was something that mills did. Mills did experiment with Mozambique coal, while Russian offers focused on the Asian market post sanctions, targeting specifically China and India,” a steel mill owner told *businessline*.

For December, all the six nations saw coking coal shipments increase.