



MEDIA RELEASE

MINERALS COUNCIL OF AUSTRALIA

Coal overtakes iron ore in government forecasts as Australia's largest export for 2018-19

Statement from Greg Evans, Executive Director – Coal

Coal is forecast to be Australia's largest export earner at \$58.1 billion in 2018-19 with iron ore exports forecast to earn \$57.7 billion in the same period, according to the latest commodity forecast from the Department of Industry's Office of the Chief Economist.

The June 2018 *Resources and Energy Quarterly* shows coal is expected to earn \$60.2 billion in 2017-18 – its highest-ever annual level – including 182 million tonnes (Mt) or \$37.5 billion worth of metallurgical (steel-making) coal and 200.5 Mt or \$22.7 billion of thermal (energy) coal.

Coal has historically been Australia's biggest export earner and the latest forecasts confirm its ongoing resurgence and significant contribution to the Australian economy.

Coal exports are the largest export contributor in both NSW and Queensland, and are mostly sold into Asian markets – both established north Asian markets and the rapidly-growing economies of Southeast Asia and India.

The last 12 months continue to show the market fundamentals for Australian coal are positive, and the high productivity of our coal companies, proximity to major markets and strong regional economic and population growth will continue to underpin coal exports over the long term.

Last month's release of expert analysis by Commodity Insights for the MCA and the COAL21 Fund forecast import demand for thermal coal alone across Asia could expand by up to 400 million tonnes more than current levels by 2030.

High-quality Australian coal supports both energy production and steel making. The high-energy, low ash qualities of Australian coal ideally match the needs of the many high efficiency low emissions (HELE) coal-fired power plants being built throughout Asia, and our high-grade metallurgical coals are amongst the best in the world for modern steel making.

In addition to export revenue, coal continues to make a significant contribution to the Australian economy. It provides 75 per cent of generation in the National Electricity Market, more than 51,000 direct jobs and \$6 billion in state royalties annually to pay for police, nurses, teachers and other vital services and infrastructure.

Coal is a cornerstone Australian industry built on the efforts of hard-working Australians which supports regional jobs and communities. It has a strong future which can meet the requirements of a modern economy.

Governments across Australia need to ensure that sensible policy settings are in place to secure the economic, jobs and social dividend from the strong demand for coal in our region.

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