

2026 Global Coal Market Outlook

– Steady Demand, Shifting Trade: A Turning Point for Coal –

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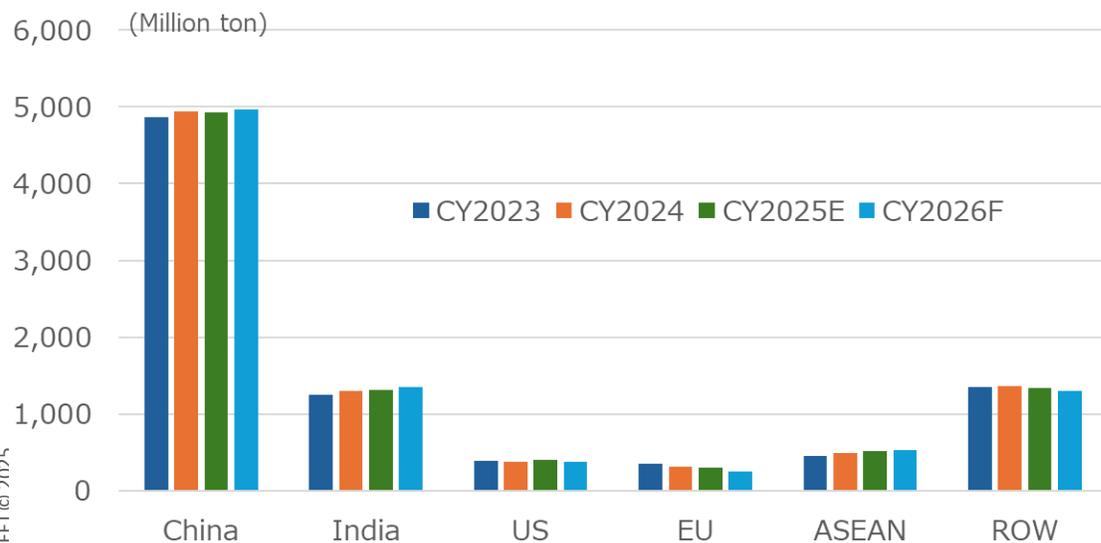
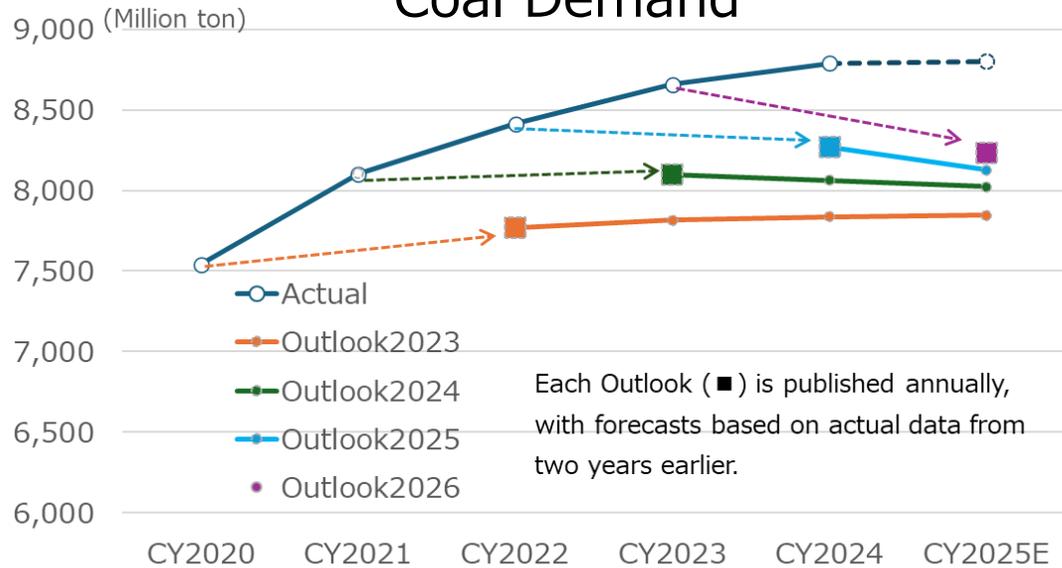
Energy Security Unit

The Institute of Energy Economics, Japan (IEEJ)

Global Coal Demand – Driven by China and India

Actual demand remains stronger than forecast

Coal Demand



[Intro] Forecasts Conservative vs. Actuals

- Economic and power demand exceeded expectations, boosting consumption across energy sources.
- **Coal continued to play a key role in meeting energy needs.**

Note: Figures in the IEEJ Outlook are based on a calorific value basis; differences may arise from coal type and calorific value.

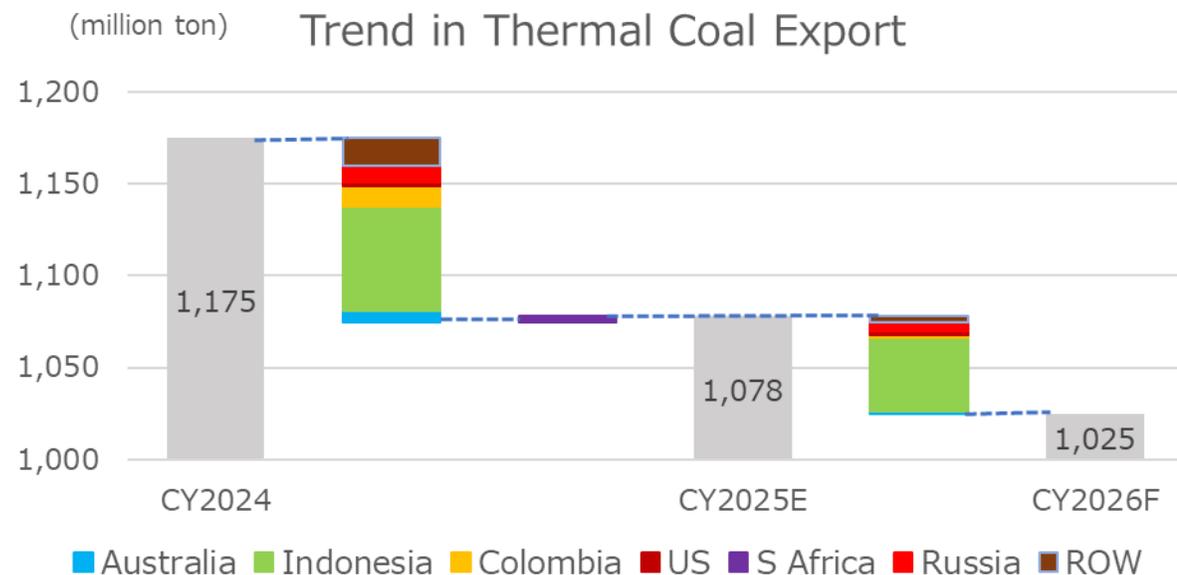
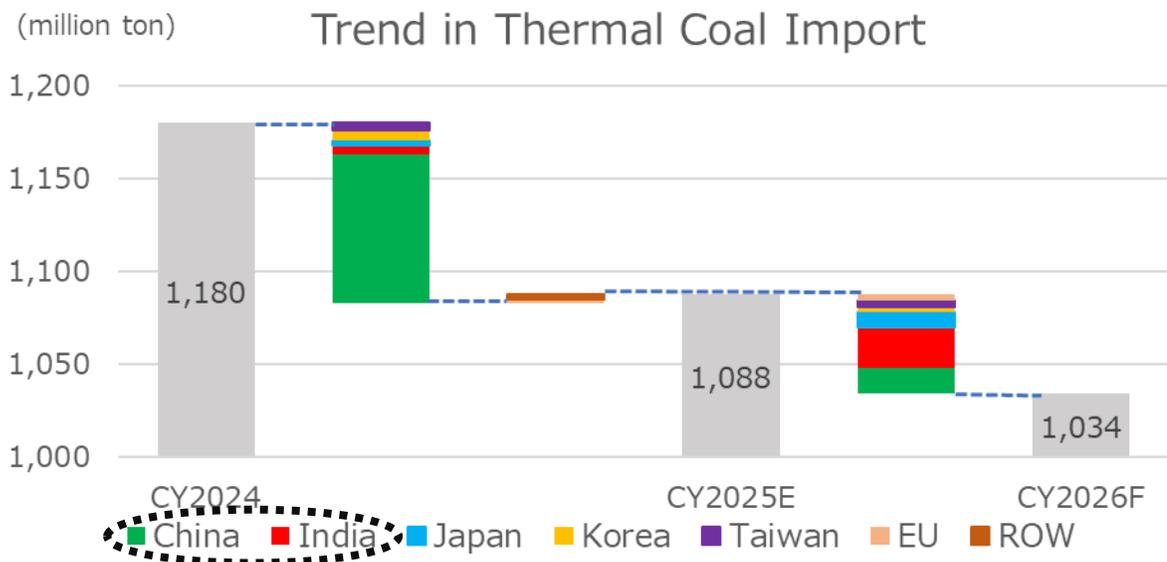
【2025 Overview】

1. Global demand: 8.8 Billion ton
 - Thermal: Metallurgical = 90:10
 - Global demand: China 56% → India 15% →
 - ✓ Higher domestic output eased the supply-demand gap, reducing import demand.
2. Coal Trade: 1.5 Billion ton (17% of demand)
 - Largely “local production for local consumption.”
 - Global share: China 30% → India 17% →
 - Indonesia as top exporter: 36% →
 - Japan’s top supplier: Australia

Source: IEEJ estimates based on IEA Coal Information 2025, Coal Mid-Year 2025, and other sources.

Thermal Coal Trade – Maybe turning?

Imports Declining in China & India



1. 2026 Import Outlook

■ China•India:

- ✓ Domestic demand remains firm, while higher output reduces imports.

■ Japan•Korea•EU:

- ✓ Demand remains on a downward trend.

2. 2026 Export Outlook

■ Indonesia :

- ✓ Exports fell sharply due to lower imports by China and India.

■ Russia :

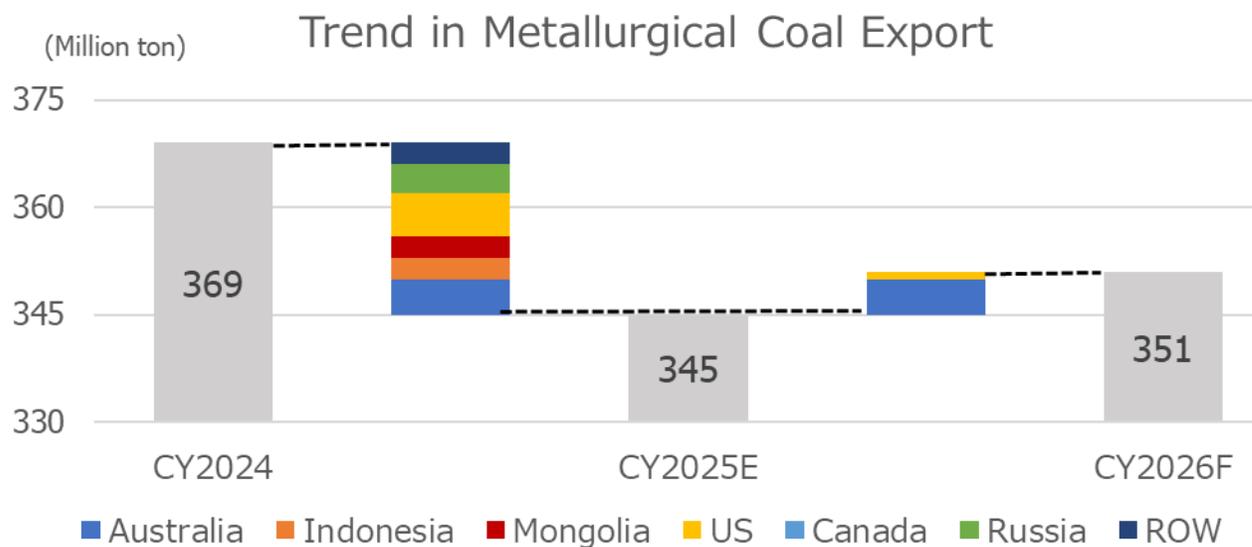
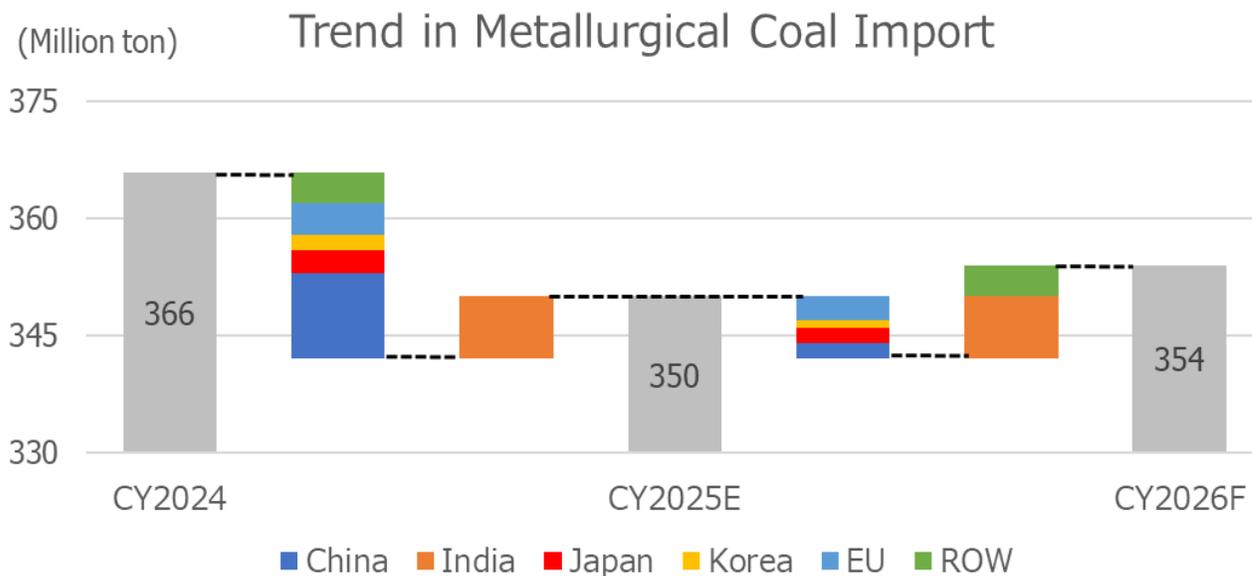
- ✓ Exports remain under pressure amid ongoing post-invasion disruptions.

Signs suggest that the thermal coal trade may be peaking.

Source: IEEJ estimates based on IEA Coal Information 2025, DISR(AUS) and other sources.

Met Coal Trade - Splits at the Seam

China Slows, India Pulls



1. 2026 Import Outlook

■ China:

✓ Economic slowdown → steel output decline → falling met coal imports

■ India:

✓ Economic growth → increasing crude steel output → limited domestic coal supply → stronger import demand

■ ASEAN:

✓ Vietnam & Indonesia increasing steel output → expands imports

2. 2026 Export Outlook

■ Australia:

✓ Recover from 2025, supply to India & ASEAN

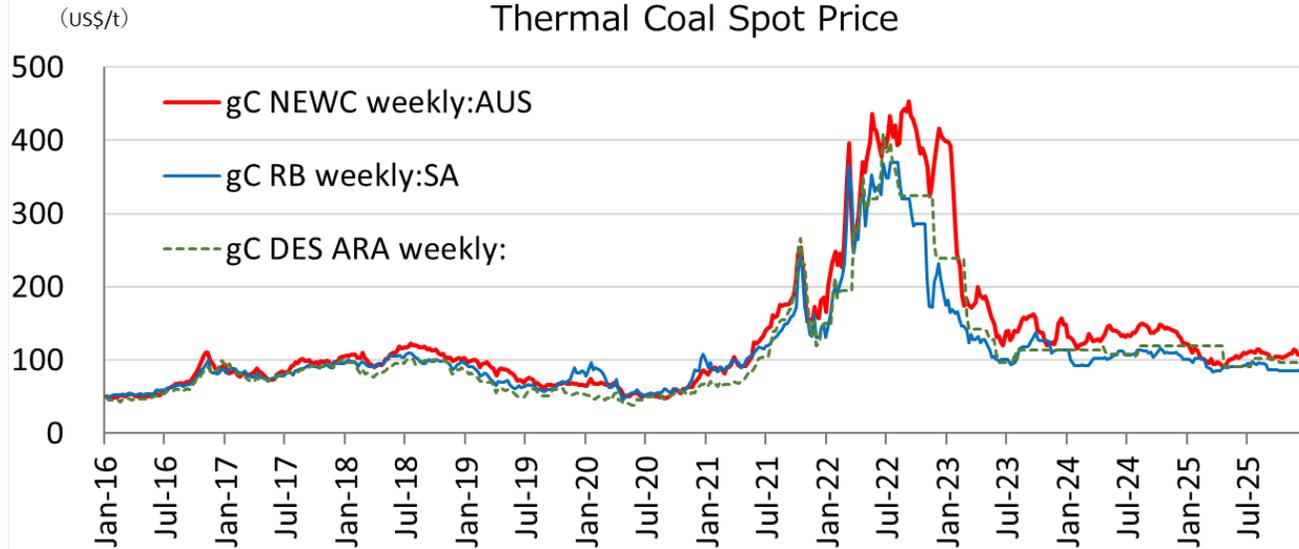
■ US:

✓ Potential export growth under “Energy Dominance” policy

India is cementing its role in the trade, while ASEAN is gaining traction as an emerging demand hub.

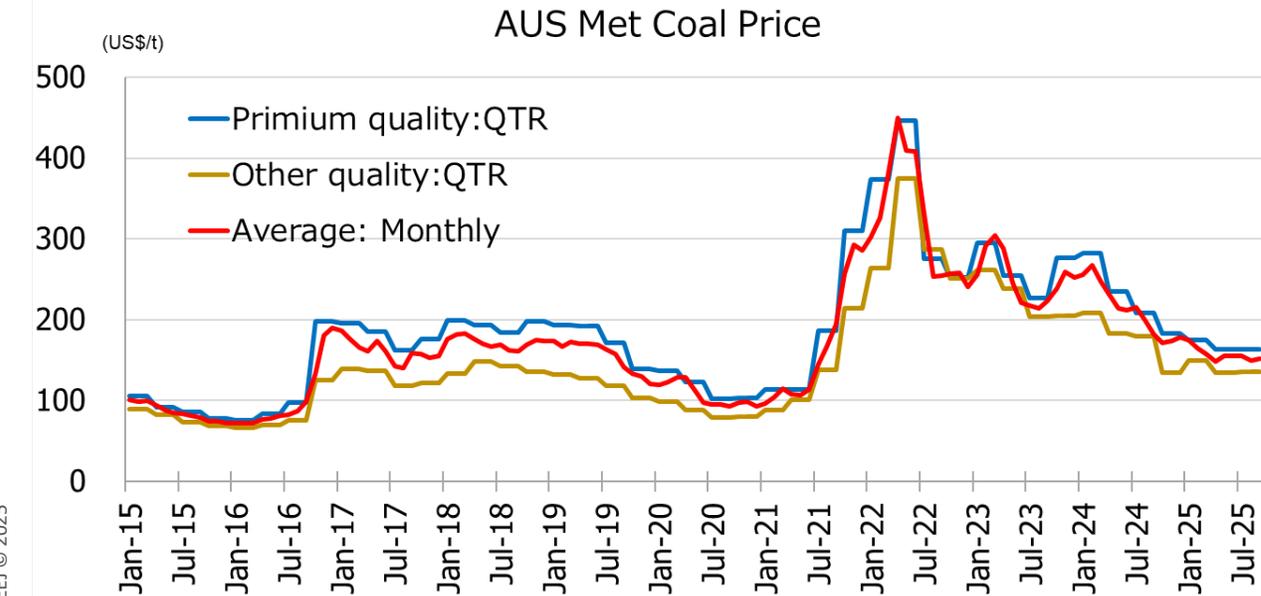
Source: IEEJ estimates based on IEA Coal Information 2025, DISR(AUS) and other sources.

CY2026 Price - Holding the Line



AUS Thermal Coal FOB(Ave)U\$/t	
CY2024	140
CY2025E*	110
CY2026F*	around 110

Ongoing domestic supply gains in China and India continue to cap import demand and price upside.



AUS Met Coal FOB(Ave)U\$/t	
CY2024	249
CY2025E*	185
CY2026F*	around 185

China & advanced economies down, India & ASEAN up—volumes steady, shares shifting

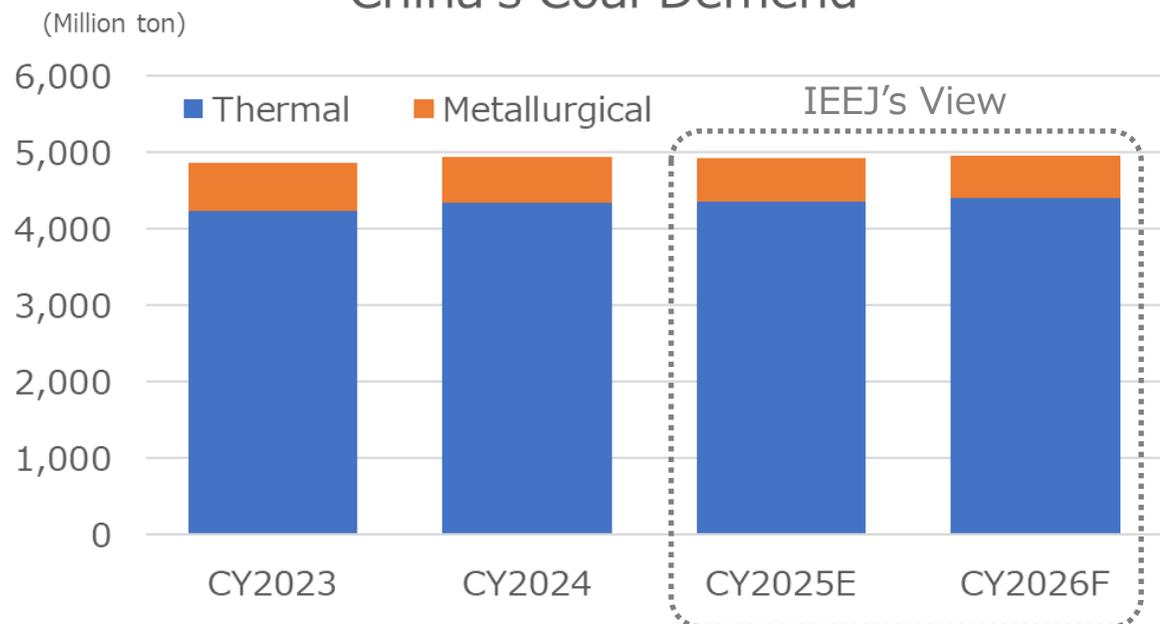
*:Based on DISR data, converted to US dollars. CY2025E and CY2026F: IEEJ estimates

Source: globalCOAL (a division of Global Commodities Holdings Limited), Department of Industry, Science, and Resources (DISR), Quarterly – Dec 2025, etc

China - Coal Trade Pivot

Small at Home, but Big in World

China's Coal Demand



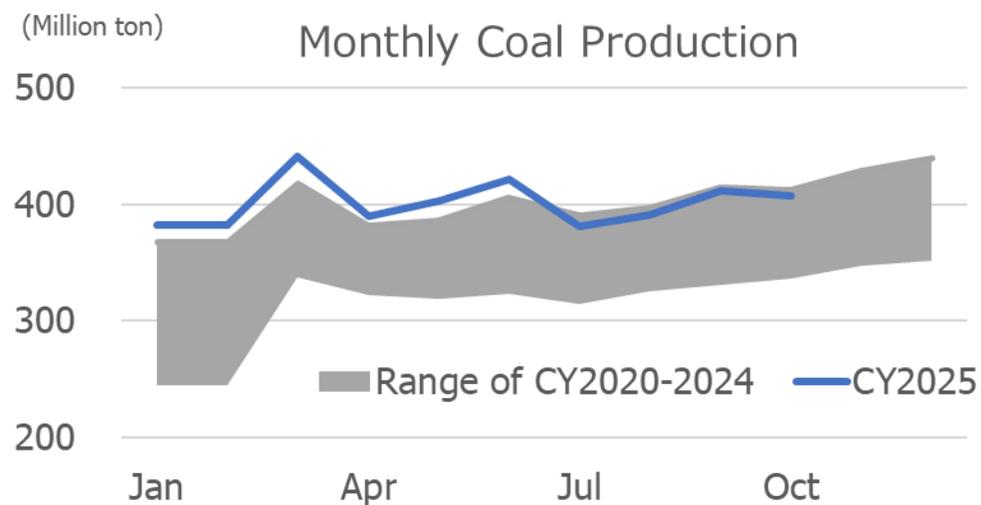
■ CY2025

- ✓ Thermal coal demand increasing; imports falling as domestic supply grows
- ✓ Steel output slowing; met coal stocks high, imports declining

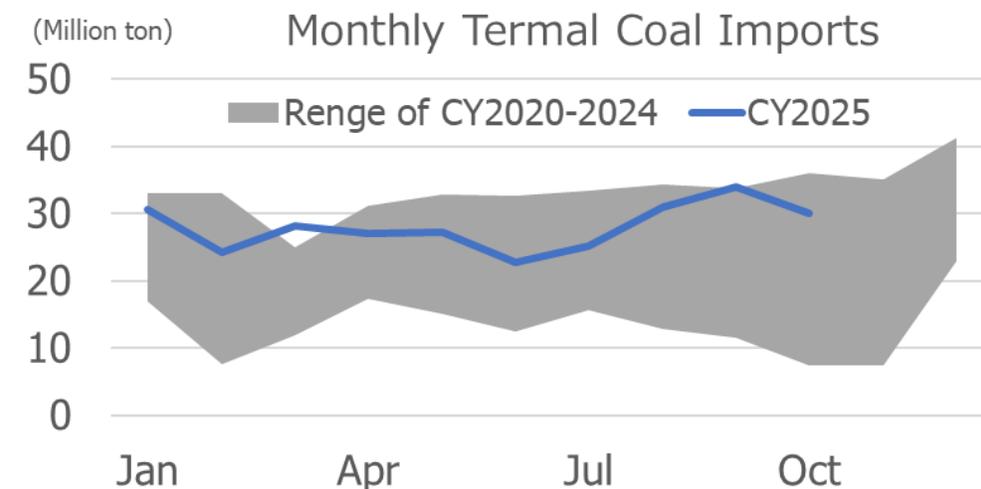
■ CY2026

- ✓ Electricity demand is increasing. Renewables are accelerating. Coal is shifting to a balancing role.
- ✓ Import demand for thermal and met coal remains weak, unchanged from last year

Monthly Coal Production



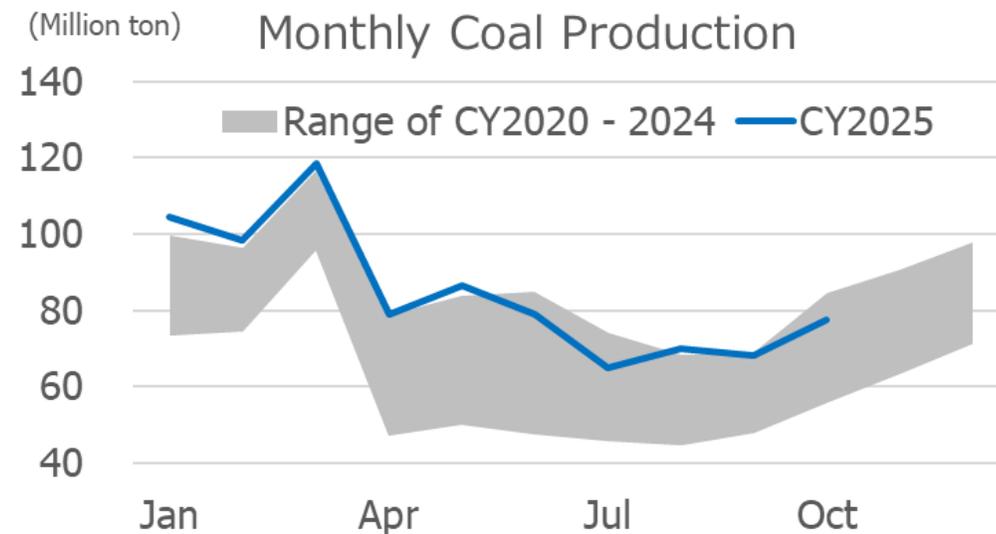
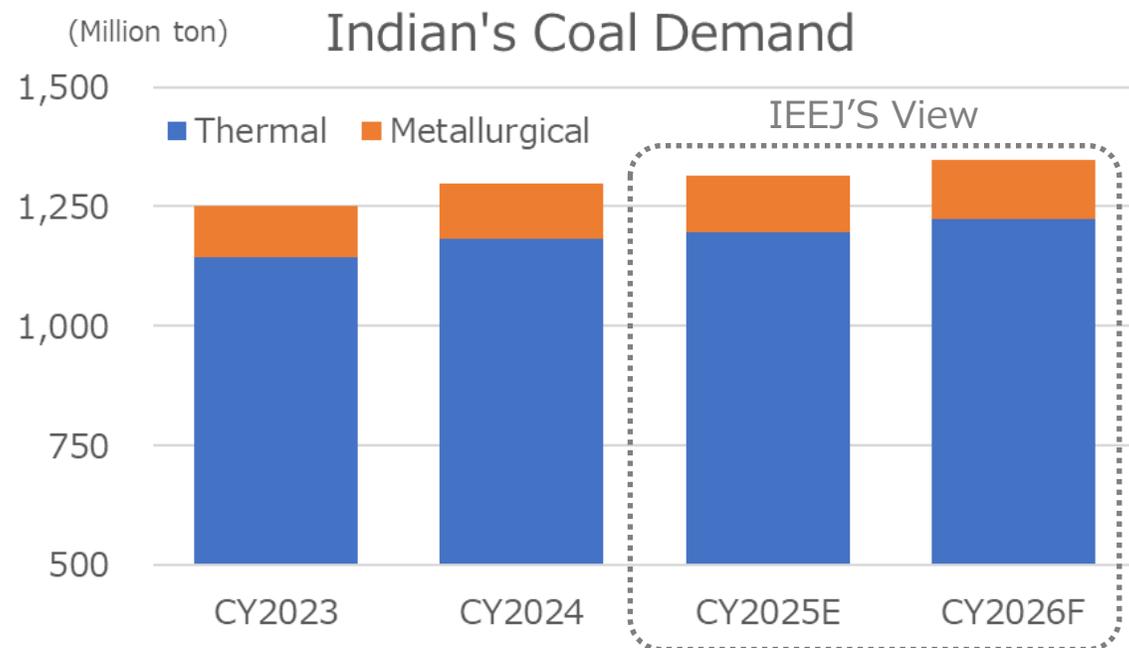
Monthly Thermal Coal Imports



Source: NBS

India- Thermal Import Slowdown

Thermal coal demand up, but India turns to domestic supply

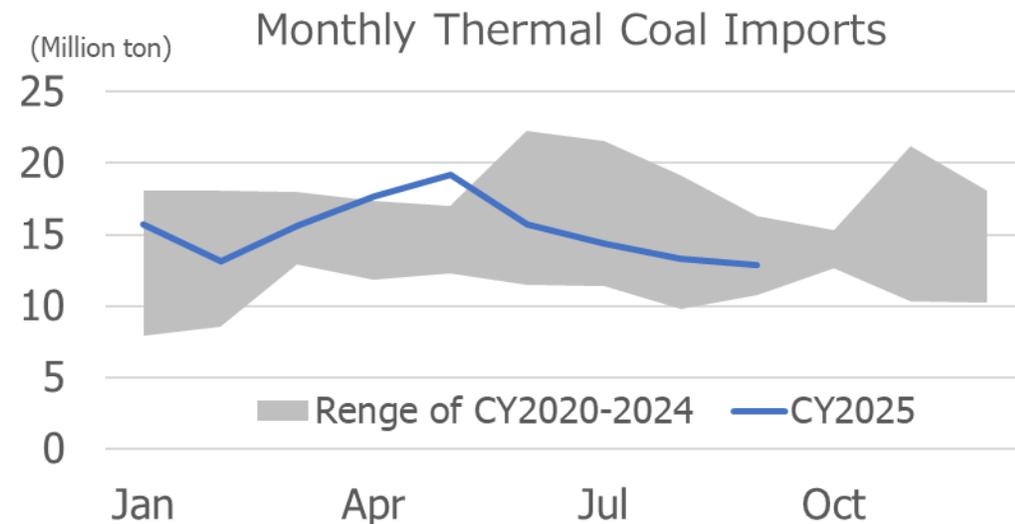


■ CY2025

- ✓ Domestic coal boost and average hydro conditions (vs. 2024 drought) ease thermal coal imports.
- ✓ Met coal demand remains firm amid strong steel production.

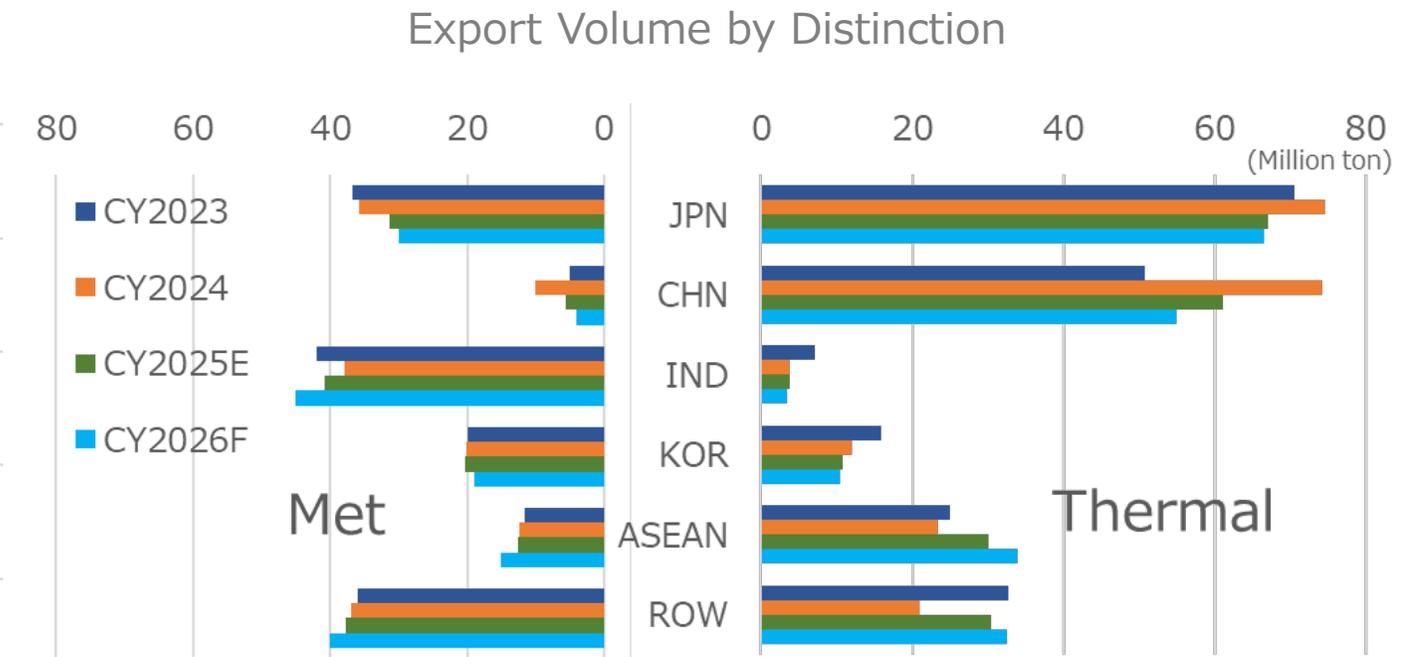
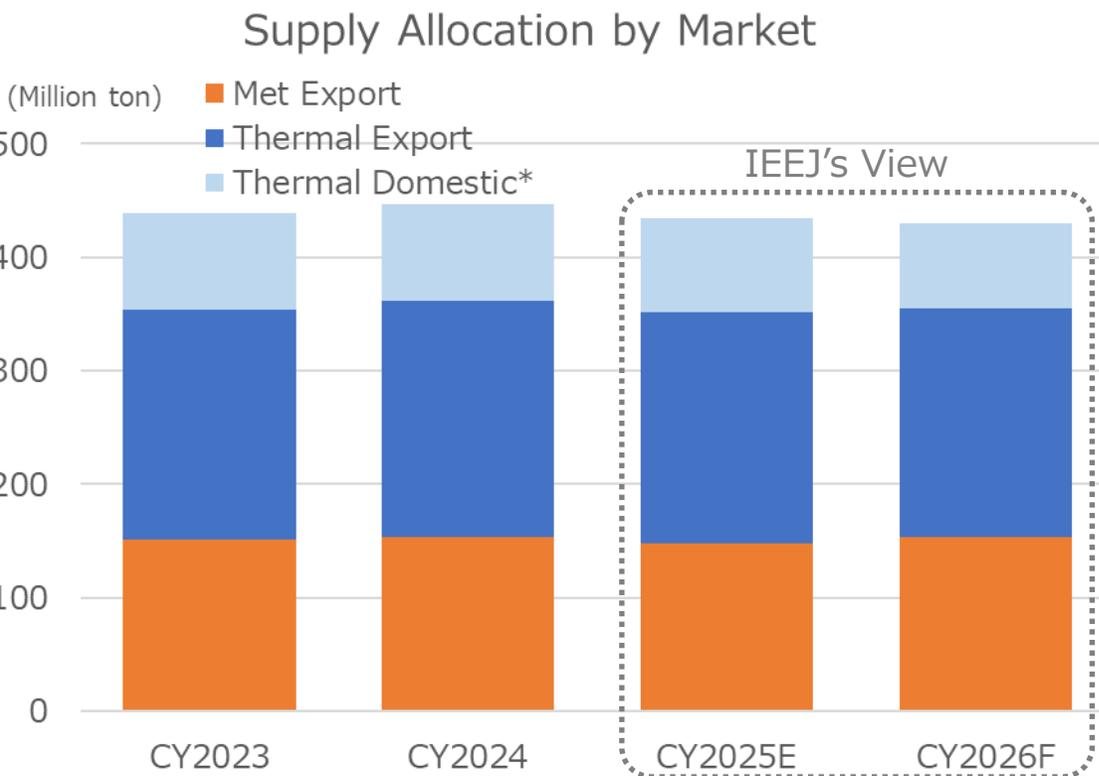
■ CY2026

- ✓ Thermal coal: declining import reliance
- ✓ Met coal: steady import demand outlook



Australia-Balancing Green Goals and Energy Security

Delayed investment decisions are increasing the risk of future supply gaps.

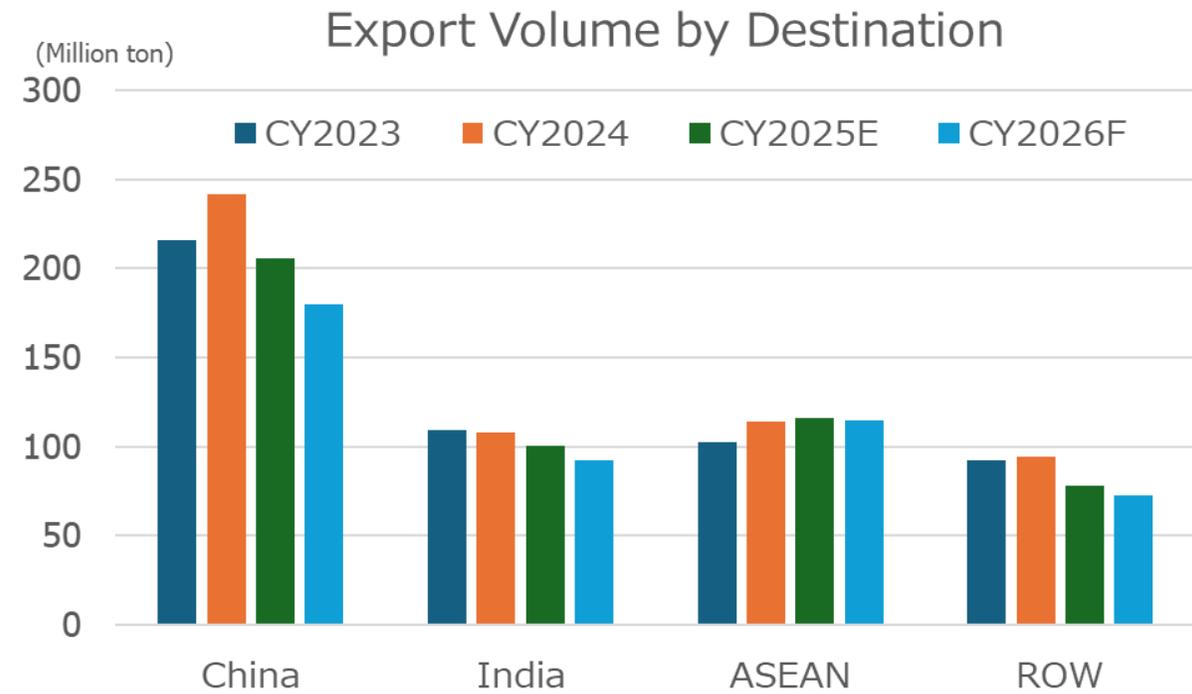
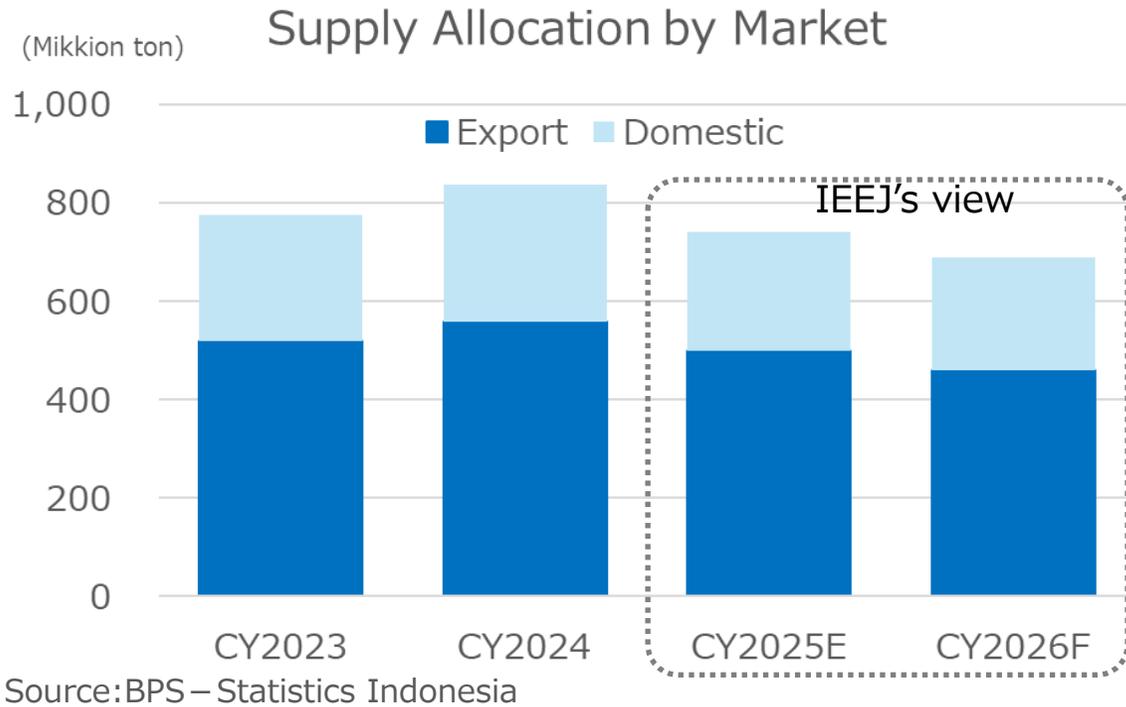


Source: IEA Coal Information 2025, DISR-Quarterly – September 2025, TEX report

- Environmental-first approach raises alarms over domestic energy reliability and economic headwinds.
 - ✓ Federal-state policy misalignment emerges; QLD's coal phase-out timeline sparks friction—state seeks extension, raising emissions concerns.
 - ✓ Slow renewable deployment and tight gas supply have led to surging domestic energy prices
- From Resources to Risks- Policy and market uncertainty clouds investment visibility.
 - ✓ Delays in lease renewals and new developments raise concerns over long-term supply security.

Indonesia - Recalibrating Coal Policy in a Shifting Market

Struggling to Respond to China-India Shifts Amid Rapid Output Decline



■ Export reliance meets its limits

- ✓ Production is projected at around 740 Mt in 2025 (down 100 Mt y/y), with continued pressure in 2026 as weak Chinese and Indian import demand tests Indonesia's export-reliant model.

■ Coal Policy at a Crossroads

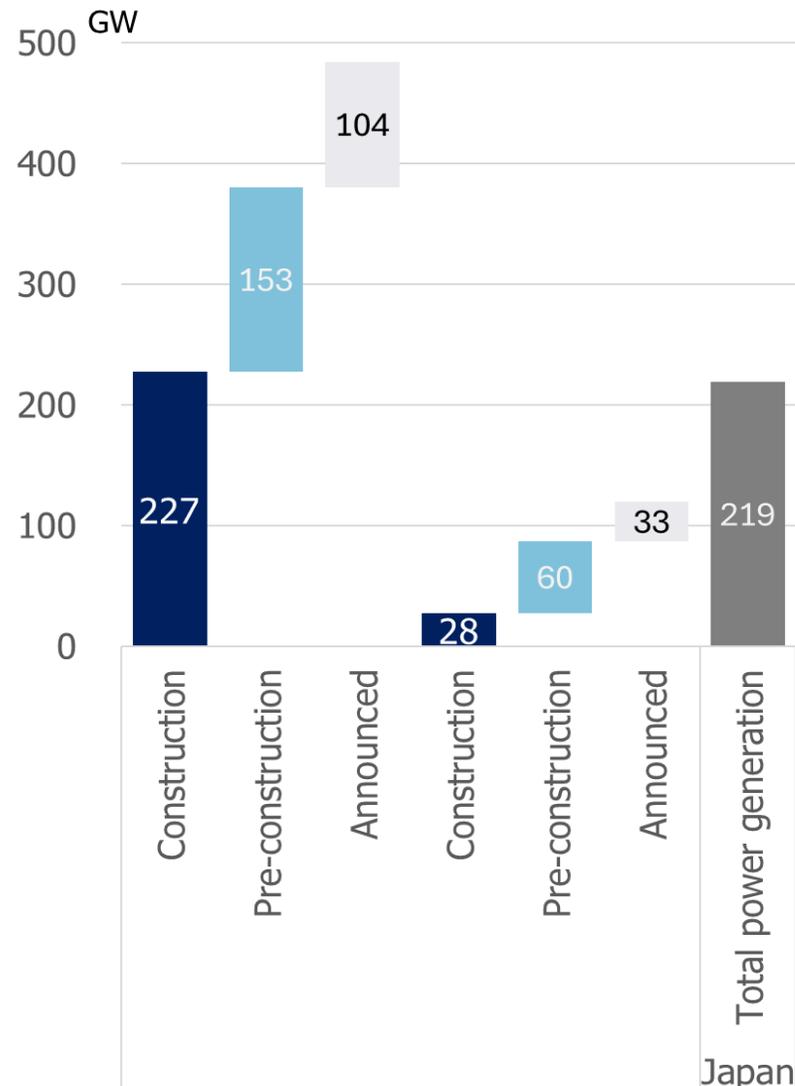
- ✓ To offset declining exports and sustain production, the government is seeking to stimulate domestic demand through: Expanded DMO requirements, Potential export levies
- ✓ The government has set a policy course to accelerate the energy transition and scale up renewables.

➔ Export declines suggest a more difficult path ahead for coal policy decisions.

Beyond China and India - ASEAN Reconsiders Coal

Energy security and transitional needs drive renewed interest in coal power.

Coal power plant buildup (CHN & IND)



Coal power plant buildup (ASEAN)

Unit:MW	Announced	Pre-permit + Permitted	Construction	Total
IDN*	9,550	1,360	6,750	17,660
KHM	0	0	265	265
THA**	0	600	0	600
PHL	0	2,927	485	3,412
VNM**	1,200	650	4,033	5,883
LAO	1,600	1,500	960	4,060
Total ASEAN	12,350	7,037	12,493	31,880

*:BRICS、 **:BRICS partner

- Coal plant construction is dominated by China (82%) and India (10%) as of July 2026.
- ASEAN is reassessing coal as a stable transitional power source.
 - ✓ Transitional steps continue, with the Net Zero goal unchanged.
 - ✓ Anounced+Pre-permit+Permitted, 2025 vs 2026-> + 4,188MW
 - ➔IND & PHL Lead
 - ✓ To meet growing electricity demand, countries are turning to clean coal technology, operational improvements, and energy efficiency.
 - ➔Japan Expected to Lead in AZEC Support

Source:Global Energy Monitor(compiled July 25)

US - Back in Service

Coal returns to the grid as a fast-acting reserve, driven by AI demand and policy pragmatism.

Energy Dominance Strategy

- Positions fossil fuels as a strategic key to enhancing industrial competitiveness.



Beautiful Clean Coal—Executive Order #14261

“Revitalize and strengthen the coal industry by promoting coal production and use through deregulation, financial support, and prioritizing coal mining on federal lands leases.”

■ Coal fired Power:

- ✓ Plant closures postponed. Emissions regulations eased or lifted. Operations are maintained to secure power supply capacity. In response to surging electricity demand from AI and data centers.

■ Coal Mining:

- ✓ Designate coal as a critical mineral. Open federal lands for lease. Accelerate permitting.

■ Foreign Policy:

- ✓ Support fossil fuel exports, Resumption of coal-related export financing by EXIM Bank, though alignment with OECD rules remains an issue.

Strengthened Domestic Industry Support – Promoting U.S. Industrial Revival

■ **Short term:** Domestic-focused policies aimed at securing energy supply and preserving/creating jobs. Unlikely to cause structural shifts in the international coal market at this stage.

- **Medium to long term:** Potential to influence policy decisions in emerging economies and energy-import-dependent countries.

■ From Expansion to Caution

- ✓ Seaborne thermal coal markets are shifting from a growth-driven phase to a more cautious outlook, as concerns over declining trade volumes grow with China and India increasing domestic production and reducing imports.
- ✓ 2026 average prices are projected at USD 110/t for Australian thermal coal and USD 185/t for metallurgical coal.

■ Supply Uncertainty Clouds Outlook

- ✓ Ongoing policy uncertainty in Indonesia—as the government balances domestic demand with environmental goals.
- ✓ Increasing regulatory stringency in Australia are adding to concerns over future export capacity.

■ Diverging Coal Paths

- ✓ Thermal coal is being reassessed in ASEAN for power security, while advanced economies continue to phase it out.
- ✓ Metallurgical coal demand remains stable overall, but its composition is shifting—India and ASEAN are emerging as key import drivers amid evolving steel sector dynamics.