

Indonesia and SA eye coal exports to India amid geopolitical shifts

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29 Feb 2024

Top coal exporters Indonesia and South Africa are aiming to ramp up supplies of thermal coal to key buyer India, company executives said, as they look to regain market share in the world's second largest import market for the fuel.



A worker watches as a loader unloads coal at a yard on the outskirts of Ahmedabad. Source: Reuters/Anrit Dave

Indonesia and South Africa are top suppliers of thermal coal to India but have lost market share in recent years to the United States, Russia and Australia due to major changes in trade routes over geopolitical concerns.

With a decline in Europe's appetite for coal, miners in both countries are now vying for a greater share of the steady Indian coal imports market.

"We see our low sulphur, high calorific value coal as a big advantage to supply to the Indian market. India's steel production expected to do well and it's good for South Africa," Kgabi Masia, chief coal operations officer at Exxaro Resources said at the Coaltrans India conference.



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South Africa boosted supplies of the power generation fuel to Europe at India's expense after Russia's war on Ukraine to take advantage of higher prices being offered, while Indonesia lost some share to Australia as it boosted supplies to China.

"For the year ending March 2025, we will supply 60MT out of South Africa, which means we will be able to supply more to India," Masia said.

Falling exports not just limited to Transnet crisis

South Africa's share in Indian thermal coal imports fell to 16% in 2023 from an average of about 22% in the three years

before the pandemic, while Indonesia's share fell to 58% in 2023 from 65% in 2022.

Indonesia is expected to supply as much as 110MT to India in 2023, Ardian Rosadi Budiman, senior manager of international marketing at Adaro Energy said, nearly 7% higher than the 103MT it supplied in 2023.

The world's largest exporter of the power generation fuel is targeting record output of 710MT this year.

"Despite additional domestic demand, we still expect Indian demand for Indonesian coal to be strong," Budiman told the conference.

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